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FINANCIAL TIMES

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**10p

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NEWS SUMMARY

GENERAL

Eire arrests 'terror' woman

Miss Margaret McKearney, described by Scotland Yard as the most wanted woman terrorist in Britain, is being held by police in the Irish Republic who arrested her, with two men and another woman, in Monaghan, near the Northern Ireland border.

Miss McKearney, 21, is expected to be brought before the Special Criminal Court, which deals mainly with terrorist-type offences and IRA membership. The arrests are apparently not linked with Saturday's Dublin airport bombing in which one man was killed and five were injured.

Irish police blasted the airport bombs were planted by Britons in revenge for the wave of IRA bombings and shootings around London.

Hanging calls

In Britain, there were more calls for the death penalty in the wake of the murder of Mr. Ross McWhirter, Mr. Airey Neave, Tory spokesman, on Northern Ireland, said: "Many of these gunmen are cowards who might be deterred by the death penalty." Philip Rawston, Back Page

Motor racing mourns Hill

Former racing driver Graham Hill and five members of his team killed in Saturday night's air crash, are being widely mourned by their racing colleagues. Former world champion Jackie Stewart, said of Hill: "I think he projected the image of Britain—cool, calm and collected." Denis Hulme, president of the Grand Prix Drivers' Association, said: "We have lost one of the last of the great Grand Prix drivers." Page 9

Ford bid to soothe China

President Gerald Ford arrives in Peking on a five-day visit today, hoping to allay Chinese suspicions about U.S. détente with the Soviet Union. Malcolm Rutherford Page 12

Israeli doubts on PLO change

Israelis expressed scepticism about reports that PLO chairman Mr. Yasser Arafat has dropped his previous refusal to recognise the Jewish State. Israel yesterday handed over the Abu Rudeis oilfields as part of the interim Sinai agreement with Egypt. Back Page

Hospitals face chaos to-day

Many hospitals in England and Wales already hit by the "just in time" doctor "work to rule" face chaos to-day as consultants begin their own industrial action. Many are expected to close within days and emergency patients will have to be moved. Back page

Island in the fog

Fog, which covered most of Britain at the weekend, stopped most flights in and out of Heathrow and Gatwick airport and London flights were diverted to the North. Thousands of miles of roads were hit by freezing fog and ice—and in Scotland by snow. A Brands Hatch motor race meeting was abandoned.

Briefly...

Mr. Hector Munro, Conservative MP for Dumfries, will ask Parliament this week to protect "large reptiles in Loch Ness".

Building and other outdoor workers should wear long underwear this winter to prevent premature old and Dr. Geoffrey Taylor writes in the construction workers' journal.

More students may join the dole queue if local authorities cut their discretionary grants, National Union of Students President Mr. Charles Clarke said.

BUSINESS

Iran expects \$1.7 bn. deficit

IRAN is now anticipating a balance of payments deficit for the current year to March 1976 following earlier expectations of a small surplus. A recent IMF mission is understood to have been told that the deficit will be about \$1.7bn, due to a sharp cut in oil production, higher payments for imports and heavy outgoings for services.

FARM MACHINERY exports increased 51 per cent in the first ten months of the year to £218.2m. Although imports also up, the trade surplus is estimated to total about £36m. Page 4

MR. HAROLD WILSON is likely to discuss the future of Leyland Industries with Sir Aldo Moro, his Italian counterpart, when the two meet to-day at the EEC Summit.

GAS agreement was signed yesterday whereby West Germany and Austria will be supplied from 1983 through the "switch arrangement" by the Soviet Union, which will receive the equivalent amount from Iran. Page 5

CAR IMPORTS from Japan have risen by 75 per cent in value terms in the first 10 months compared with the same period in 1974. They are likely to capture 10 per cent of the British market this year.

Aerospace campaign against Bill

AEROSPACE industry to-day launches a major campaign against nationalisation in anti-shipbuilding industry Bill in the Commons. The country's shipbuilders submitted to Mr. Eric Varley, Industry Secretary, detailed alternative proposals to nationalisation accepting Government aid and including representation on Boards as well as planning agreements. Page 4

SCIENCE Research Council transport panel has rejected a Parliamentary select committee's criticism of the Government's 1978 decision to stop development work on the economic main. Not enough was known of the underlying science to justify large-scale demonstration, it said. Page 9

NOVEMBER dividend payments were enlarged to 15.2 per cent, above 1974's level by large "rights" issues made by ENI and Glaxo. The increase was 3.3 per cent, excluding these two companies, the second best rise so far this year. Page 4

COMMUNICATIONS managers from 300 of Britain's largest business telephone users have called for a partial removal of the Post Office's monopoly to allow private provision and maintenance of subscribers' equipment. Page 4

Chemical output rise forecast

U.K. CHEMICAL industry forecasts a 5 per cent rise in output in 1976, going half-way to recover the 10 per cent drop expected for this year. Page 9

DOMESTIC recession will probably reach its trough during the first half of 1976, according to Dr. D. Lomas, director of research at National Westminster Bank. Recent economic indicators continue to support the view that the rate of decline is gradually slowing down, he says. Page 9

BRITAIN'S balance of payments position is likely to remain weak till at least mid-1977, despite a net oil import saving from the North Sea of £80m. in 1976 and £1.9bn. the next year, according to stockbroker Phillips and Drew.

LONDON Chamber of Commerce survey shows that most member companies believe the pay policy cannot be relaxed until inflation is reduced to single figures.

Wilson faces clash with Eight on energy seat demand

BY REGINALD DALE IN ROME: November 30

Mr. Harold Wilson is expected to maintain Britain's demand for a separate seat at the forthcoming "North-South" conference on energy and raw materials during the EEC Summit that opens here to-morrow.

But the Prime Minister will come under strong pressure from all the other eight Community heads of government to back down and accept joint EEC representation at the Paris conference.

With the seating problem now the Community's most burning political issue, Mr. Wilson may have to accept some kind of compromise arrangement or risk taking the responsibility not only for the summit's failure but also the probable postponement of the Paris meeting.

Nevertheless, the Prime Minister, it is understood, does not plan to make any compromise proposal to the other eight EEC leaders. U.K. officials will say only that the aim is to reach agreement during the next two days here and that Mr. Wilson will be prepared to listen to compromises that might be suggested by other delegations.

It is far from clear, however, how any compromise can be devised that does not represent a capitulation by either the U.K. or the Eight.

In the run-up to the Rome talks, the British camp has said Mr. Wilson's intention is to play an "active and positive role" at the summit is in line with his promise to the July summit in Brussels immediately after the referendum.

So far, however, Britain has shown no signs of readiness to compromise or at least to accept the major subjects for the talks here — the seating issue and further studies are necessary direct elections to the European Parliament. The Government's data is over-optimistic.

apparent determination to introduce selective import controls could well add a third area of difficulty between Mr. Wilson and the other eight EEC leaders.

On the seating issue, far from advancing towards its EEC partners, the U.K. seems to have become increasingly tough on the eve of the summit. Last week in Kuwait, Mr. James Callaghan, the Foreign Secretary, is reported to have threatened to prevent the EEC being represented at the dialogue at all if Britain failed to get its way. Up to now, the U.K. has always stressed that its demand for a separate seat would not prevent the EEC from sending its own delegation.

Doubtful

U.K. officials claim that the seating issue — including the demand by the developing countries for four more seats — could be solved at a pre-conference session in Paris in two weeks' time. Other EEC countries, however, believe that the Rome conference will have to be delayed at least two weeks if the problem cannot be solved during the next two days here.

The U.K. appears to be no nearer taking a position on direct elections, despite renewed signs that Herr Helmut Schmidt, the German Chancellor, will press for an immediate decision. Mr. Wilson is expected to repeat that further studies are necessary and that the proposed 1978 target date is over-optimistic.

It is now thought unlikely EEC circles that any final decision on import controls will be taken in London before the end of this week. However, it is by no means sure that all the other EEC leaders will agree with Mr. Wilson's apparent view that the six-nation Rambouillet summit gave its tacit blessing to the selective import controls which the Government is envisaging.

The five EEC countries who were not invited to the Rambouillet talks are likely to repeat their concern that the Community was not properly represented and stress that such meetings should not be held in future without EEC participation.

Mr. Wilson should find an ally in Herr Schmidt when the summit turns to the issue of stricter controls on EEC budgetary spending and the cost of the Common Agricultural Policy. Both Britain and Germany have submitted working papers that follow roughly parallel lines.

Britain wants the EEC Budget submitted to stricter accounting procedures and is proposing that one member of the Commission be made responsible for financial control as a full-time job. This dovetails with suggestions from Bonn, which wants no new EEC policies to be decided unless it is clear that money is available.

The summit is likely to have at least a preliminary discussion of how the Community's institutions can be made more efficient and Mr. Leo Tindemans, the Belgian Continued on Back Page Editorial Comment, Page 12

Dearer gas prices likely after North Sea deal

BY RAY DAFTER

HIGHER GAS prices being negotiated with North Sea producers may lead to further increases in industrial and domestic charges in the first half of next year.

British Gas is in the middle of tough and lengthy negotiations with offshore operators over redefined contract prices. It appears that the first clutch of these settlements, on gas from the southern sector of the North Sea, has involved an increase of about 30 per cent. It is known that producers have been seeking a rise of 100 per cent, and more under the terms of "escalation" clauses.

As usual, British Gas refuses to disclose either the price of gas or the amount of increase conceded under the terms of its confidential business arrangements.

The higher cost of supplies will inevitably put pressure on the price to consumers.

Domestic gas prices have risen twice this year, by 12 per cent in January and 20 per cent in October. The National Gas Consumers' Council said last week that some households faced increases of up to 48 per cent.

British Gas has told the Consumers' Council that it hopes to peg the prices until at least next October, but this objective will be severely tested in the next six months, particularly in view of its talks with other State industries, to be financially self-sufficient.

There are increasing labour and raw material costs. A feeder main which cost £14m. in 1968-69 would have cost £47m. to install this year. Ductile iron piping, used extensively for low-pressure distribution, has gone up by 80 per cent, between January last year and July 1975; while civil engineering costs increased by 25 per cent in the year July 1974 to July 1975.

Furthermore British Gas faces a £30m. rise in its rates bill, which has become apparent since the underwriting to the Consumers' Council. It will double the Corporation's rates in the two years from 1974-75 to 1976-77.

Secretary to the Treasury, told the Commons Select Committee on Nationalised Industries last week that there could be "fairly high" fuel price increases next year. Mr. Michael Young, chairman of the National Consumers' Council, warned that families unable to meet these bills might be forced into a "consumer strike".

British Gas, which lost £44.2m. in the 1974-75 financial year, said at the weekend that its policy for controlling the rate at which supplies of natural gas were used was important and successful.

Bleak Christmas trading is feared by many retailers

BY ELINOR GOODMAN

MANY RETAILERS fear that the volume of sales this Christmas will be their lowest for two years.

In terms of trading conditions, some say it will be the worst Christmas since the Thirties. This means that, in terms of volume, sales are down by well over 10 per cent.

Recently the Partnership's figures have been worse than those of some of the publicly quoted companies, such as House of Fraser and Woolworths.

In the men's tailoring business, the situation is even worse, as indicated by J. Repworth's recent comments. Turnover in cash terms since the end of August is actually lower than last year, implying a volume drop of about one-fifth.

In an attempt to boost sales, some groups have been running out-of-season sales and special price promotions. The House of Fraser, for example, was running "mid-season" sales in almost all its stores except Harrods, last month, while many other groups are advertising special "inflation beaters" and "super savers".

Some of the big department store groups such as Debenhams claim that sales are running well ahead of inflation, but most unofficially admit that volume sales are between 5 and 10 per cent below last year's level.

The latest Government figures for October show a provisional drop of 6 per cent on October last year.

The changes of Christmas trade making up for the rest of the year "are virtually negligible," the leader of one group said last week. Another said that even if he could get the extra volume to match last year's levels, he would not be able to recover the profits lost earlier in the year.

Some of the big department store groups such as Debenhams claim that sales are running well ahead of inflation, but most unofficially admit that volume sales are between 5 and 10 per cent below last year's level.

The latest Government figures for October show a provisional drop of 6 per cent on October last year.

The John Lewis Partnership, which publishes the most up-to-date figures in the trade, reports that the value of sales in the

department stores in the 17 weeks to November 22, is only 9.8 per cent up on the same period last year as against an estimated increase of 15.4 per cent. This means that, in terms of volume, sales are down by well over 10 per cent.

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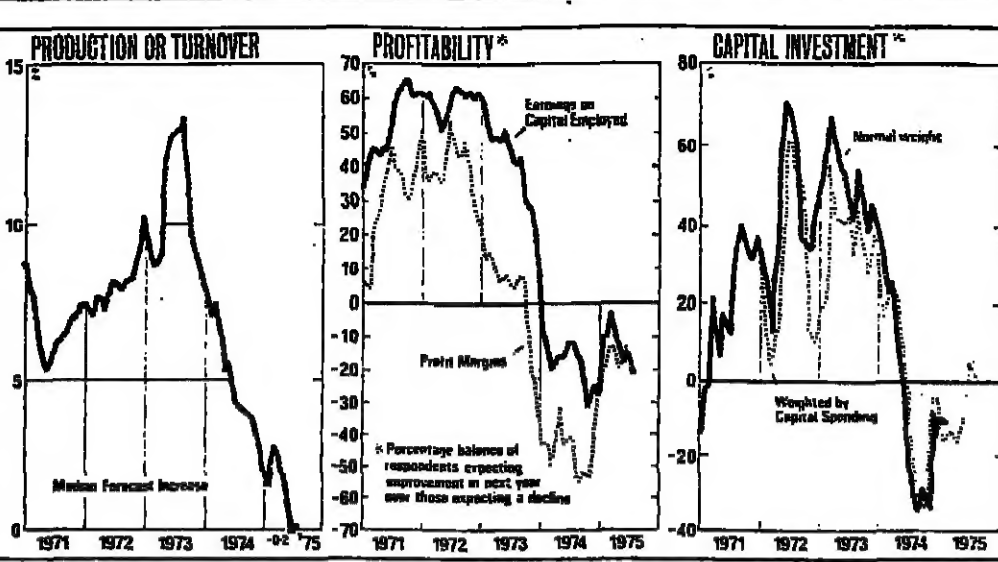
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FT Monthly Survey of Business Opinion



Industry is becoming less pessimistic

INDUSTRY'S fears about the level of inflation have eased sharply since the £6 ceiling was imposed upon pay increases. There is also a growing belief that the end of the downturn may be approaching.

Together, these two factors have helped to bring about a modest revival in business confidence but the general mood is still one of extreme caution.

The last Financial Times monthly survey of business opinion shows that the median forecast increase for unit wage costs over the next 12 months is settling down in the 13-14 per cent. range, reflecting the belief that the £6 ceiling will be treated as both a minimum and a maximum increase.

The median forecast increases for total unit costs and output prices are also showing a tendency to level out in the 14-15 per cent. range.

But, while inflation expectations have abated, the outlook for profitability remains discouraging. On balance, industry expects both margins and earnings ratios to go on being squeezed. Indeed, pessimism seems to have become even more widespread in the last few months.

Nor is there yet any tangible evidence of the decline in orders and deliveries coming to an end. The forward looking indicators—for volume of bought-in supplies over the next four months and output up to 12 months ahead—show a similar trend.

Optimism about export prospects, hitherto the one redeeming feature in an otherwise gloomy picture, has diminished noticeably in recent months. The all-industry index has now fallen to its lowest point for over two years.

On the other hand, there are indications to suggest that the de-stocking cycle may be approaching an end. The liquidity shortage is now more or less over, except among smaller companies. And the outlook for employment and capital spending appears to be stabilising.

The three sectors re-interviewed last month were building and construction, where a generally bleak outlook is relieved only by the modest revival in house building—and two consumer goods sectors, food and tobacco, and textiles and clothing.

Details, Page 19

EARNINGS ON CAPITAL

Those expecting earnings during current year to:	4 monthly moving total				November 1975			
	Aug.-Nov.	July-Oct.	June-Sept.	May-Aug.	Constn. & Bldg.	Food & Textiles	Other	
Improve	25	30	29	33	8	33	11	
Remain the same	19	19	21	16	27	17	37	
Contract	7	45	47	46	65	34	52	
No comment	9	6	3	3	—	16	—	

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EEC move on Japan shipyards

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE EEC Commission in Brussels has started to apply pressure on Japanese shipyards to persuade them to accept a meeting in San Francisco to discuss the growing over-capacity in world shipbuilding.

The West Europeans, who take up the issue, stems from having submitted evidence to the Japanese pricing policies.

EEC Commission of "unfair" competition by Japanese shipyards, will urge the Japanese to accept a meeting in San Francisco to discuss the growing over-capacity in world shipbuilding.

The anxiety in Europe highlighted by the EEC's decision to take up the issue, stems from having submitted evidence to the Japanese pricing policies.

Japanese yards are widely reported to be tendering for orders with prices up to 40 per cent below European levels.

As a result they have captured the bulk of major orders this year. Latest figures show that, for example, more than 90 per cent of orders for bulk carriers went to Japanese yards in the three months to October 31.

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HOME NEWS

Aerospace firms launch fight against take-over

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.K. aerospace industry today launches a major campaign against nationalisation in anticipation of tomorrow's Second Reading of the Aircraft and Shipbuilding Industries Bill in the Commons.

In addition to a nationwide advertising campaign, urging aerospace workers to lobby MPs against nationalisation, the industry has been briefing MPs directly in a bid to stimulate opposition.

The industry's case is based on the fact that it is exporting products worth over £500m. a year, has outstanding orders worth more than £1,200m., and could improve on this performance if left to run itself.

In its campaign, the Society of British Aerospace Companies is telling the industry's 70,000 workers that they are "about to witness the destruction of one of Britain's most successful industries — one of Britain's prime exporters."

Under the Bill, the proposed State monopoly would be allowed to take over or compete with companies which now supply the aircraft industry. "So we don't know—and you don't know—how far creeping nationalisation could go."

None of the Government's reasons for nationalisation were justified. The industry was one of the most accountable for the Government money it received, and the majority of its earnings and profits were from customers other than the Government.

The industry also criticises the take-over techniques implied in the Bill. In particular, it left the cost of the take-over "open-ended," and the ultimate cost to the taxpayer might be as much as £300m. or more.

If the Government had this amount of money to spend on aerospace, it would be better used in financing the new ventures the industry needs for the future, or expanding existing projects—such as three more Concorde or the HS-146 feeder-liner.

SDLP maintains stand on police

BY OUR OWN CORRESPONDENT BELFAST, Nov. 30.

THE MAINLY Catholic Social Democratic and Labour Party's policy of withholding support from the police force in Ulster was overwhelmingly endorsed at the party's fifth annual conference here this weekend.

Despite attempts to change the party's attitude, only a handful of the several hundred delegates voted against the SDLP policy document, which maintains that an acceptable police service can only come about when there is full partnership in Government.

Mr. Tom Donnelly, a Belfast councillor who has been pressing his party to back the Royal Ulster Constabulary, carried out his threat to resign after the vote. He will continue as an independent.

Mr. Gerry Fitt, MP, the party leader, claimed in his opening speech to the conference yesterday that nine of the 10 Ulster Unionist MPs at Westminster were actively seeking to have Northern Ireland fully integrated with the rest of the U.K.

He said the MPs were led by Mr. Enoch Powell and the Rev. Ian Paisley and were ready to accept some form of continued direct rule rather than share power with the Catholic minority.

Government dragging its feet on Europe link, Heath says

BY PHILIP RAWSTORNE

THE GOVERNMENT was flouting the EEC referendum by "dragging its feet" on co-operation with its Community partners, Mr. Edward Heath said yesterday.

In a vigorous attack on the Government's European policies, he said that they reflected the views of Mr. Anthony Wedgwood Benn and other anti-Market Ministers rather than the referendum vote.

"The Labour Government seems determined to frustrate the will of the people," he said at Coventry. "If we are not careful, it will soon be a matter of losing friends and influencing nobody."

The Government's "go it alone" approach was apparent in its attitude both towards the forthcoming Paris conference on the issue of direct elections to the European Parliament.

By his "heavy-handed" insistence on a separate seat for Britain at the energy conference, Mr. James Callaghan, Foreign Secretary, appeared to be yielding to pressure from Mr. Wedgwood Benn.

"The British people made it as clear as they could (in the referendum) that they wanted nothing to do with its policies on Europe. Yet in the energy row, Mr. Benn is the piper calling the tune, not the British people."

Expanding on the issue in an interview with London Weekend Television's Weekend World programme, the former Prime Minister said: "The British have no status at all to say we and we alone are going to be the people who talk about oil."

Mr. Callaghan should be trying to work out a common energy policy inside the EEC. "What he has done as a result of this attitude is to alienate everybody else in the community."

The Government's approach was "very short-sighted," he said. "The Government's approach on the question of direct elections to the European Parliament is again virtually refused to budge."

If the Government held back while other EEC countries went ahead with direct elections, the British representatives would "become second-class members" and the British people "second-class citizens."

"The irony is that it is those who complained loudest about the so-called Brussels bureaucrats who seem most opposed to elections to the European Parliament, even though this would be a giant step towards greater democracy in Europe."

The Government's response in the referendum had been "a wasted month of inactivity. They must begin to carry out the will of the people and they must give the British people their voice in the Community."

British democracy at risk, Peter Walker claims

MR. PETER WALKER, Mr. Heath's former Cabinet colleague, yesterday accused the Government of presenting in Britain the greatest threat to democracy this century.

The Conservative MP for Worcester told a meeting in Droitwich: "It is, in fact, a Government that is totally ignoring the three major threats to our nation—the military threat, the economic threat, and the threat of a breakdown in our urban areas."

It is a Government that at a time of massively increasing Soviet might leads the West in cutting our defence spending, an action that, if continued, could well eliminate British democracy for generations.

"It is a Government that at a time when the nation is producing less, exporting less and investing less than during the period of the three-day week ignores urban deprivation on the scale which has hitherto been sent. In our major urban areas, crime, homelessness and unemployment are increasing."

"The frictions, tensions and racial hatred will certainly thrive when a government pursues policies whereby 40 per cent of young West Indians are unemployed in a number of our urban areas."

£515m. farm machinery exports

BY JOHN EDWARDS, COMMODITIES EDITOR

BRITISH farming's annual shop window, the Royal Smithfield Show, opens at Earls Court, London, today with the news that exports of U.K. farm machinery have this year for the first time exceeded £500m.

Mr. Douglas Walker, president of the Agricultural Engineers' Association, said that overseas sales during the first ten months had reached £515.2m. worth of farm tractors and machinery. This is an increase of 51 per cent on the comparable period 1974.

For last year, imports of farm machinery were also sharply up, but it is estimated that the shortages and now the export market had fallen off.

In contrast the U.K. tractor market was buoyant with sales up this year by nearly 13 per cent, and good prospects for next year.

The emphasis this year for home tractor sales at Smithfield will be on "quiet" cabs. Regulations controlling the noise level down to 90 decibels come into effect next June.

There is also a trend to larger units among the 170 or so new machines being launched at the Show, among them a 215 hp tractor by John Deere (U.K.).

The Agricultural Mortgage Corporation has today put up interest charged on its variable rate loans from 13 per cent to 14 per cent.

Shipbuilders have counter-plan

BY JOHN WYLES, SHIPPING CORRESPONDENT

SHIPBUILDERS, in a bid to stall off nationalisation, have submitted to Mr. Eric Varley, Industry Secretary, a detailed plan for the future of the industry which embraces some of the most controversial aspects of the Government's industrial policy.

The plan, by the Shipbuilders' Association, provides for widespread use of planning agreements, and Government representation on Boards of companies which accept Government aid.

The proposals have been given a cool reception by Mr. Varley, who is pressing ahead with the Bill to nationalise the aerospace, shipbuilding and ship-repair industries.

Some of the association's proposals may feature in the coming battle over nationalisation.

Mr. Clifford Baylis, director of the association, said that the shipbuilders' plan had greater flexibility than the nationalisation policy.

The association's alternative is based on creation of a National Shipbuilding Council involving representatives of the Government, the industry and its trade unions.

The Council would devise a national strategy for shipbuilding which would include a recommendation on its future size and shape, an analysis of Government financial support and measures to promote productivity and improve industrial relations.

Shipbuilding companies prepared to accept Government finance in return would accept Government nominees on their Boards.

Companies in which the Government had a majority stake—Govan Shipbuilders, Cammell Laird and Sunderland Shipbuilders, but not Harland and Wolff—should be transferred to a holding company operating on a strictly commercial basis.

Private and public groups would undertake planning agreements, and the Council would be closely involved with the Department of Industry in monitoring their performance.

The association plan calls for short-term Government aid because of the shortage of orders, which threaten most big yards with a phased rundown from the end of next year.

Behind TMD's demand for more detailed accounts lies the allegation of some business users that the Post Office has not yet discovered the relative costs of each service. There is also a more widespread suggestion that the business customer is subsidising the domestic subscriber.

Point Two of the statement which claimed to speak for commerce and industry in general, said: "We are not satisfied with the way in which the Post Office accounts are kept and presented."

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November dividends rise 15%, but profits fall

BY RON PUTLAND

A RISE of 15.2 per cent in dividend payments over the same period a year ago was the feature that emerged from companies' annual reports published during November.

The rise, however, was distorted to a certain extent by large rights issues made during the year by EMI and Glaxo.

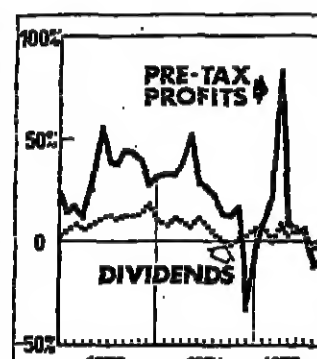
But even after stripping out the dividend payments by these two companies, there remained an increase of 8.3 per cent in dividends from the other 110 companies reporting. That rise is the second best so far this year, the highest of 8.4 per cent being recorded in February and in April.

Pre-tax profits, however, showed a shortfall over those for November, 1974. The 1.9 per cent decrease in profits last year, extended the run of deficits to four consecutive months, the three previous shortfalls being 2.9 per cent in October, 8.4 per cent in September and 11.3 per cent in August.

Among companies to report last month, Brooke Bond Liebig sustained a setback in pre-tax profits of 24.1 per cent, while Glaxo were 4.7 per cent lower.

McKee Bros., manufacturers of non-ferrous metals and chemicals, were hit by a fall in demand for their products and by narrower profit margins, the result being a decline in pre-tax profits of 42.2 per cent.

EMI's profits were only slightly down (0.3 per cent), but Lucas Industries, surprisingly, came through with a rise in pre-tax profits of 78.7 per cent.



SHIPYARD SAFETY TALKS CALLED

A conference to help improve safety in the shipbuilding and repair industry is to be held in Newcastle upon Tyne tomorrow. More than 100 companies will take part.

Stores group backs scheme for jobless

Financial Times Reporter

A BURSARY programme for unemployed school leavers, run by the Inter-Action group, is being established nationwide this week. It has been launched with £85,000 backing from Marks and Spencer.

New Job Horizons project provides bursaries for 64 unemployed to work and train with community work agencies. They will receive an average of £119 per week, with £55 going to the agencies to cover supervision and training costs. The agencies involved are voluntary, non-statutory groups with full-time staff.

Typical areas of work are: advice, playgrounds, community printing, concerns and arts centres, helping the elderly, community relations projects and sports provisions.

Mr. Ed Berman, director of Inter-Action Advisory Service, which is developing and administering the project, said that Inter-Action was seeking "with the help of Marks and Spencer, the co-operation of other large companies which will realise part of their social responsibility in this way."

"We hope that the Government and trade unions will match funds given to this scheme by industry."

Computer plan at Barclays

Barclays Bank International and Honeywell Information Systems are jointly developing computer systems to expand the bank's European service.

The first two £1/60 computer systems involved will be installed in Brussels and Amsterdam early in the New Year.

A third will be used by a joint project team at the bank's premises in Poole, Dorset, to develop software packages.

It is the first collaboration between the two companies and will be the first real time interactive system the bank has introduced.

A first general accounting package, on which Honeywell retains marketing rights, will be followed by one involving foreign exchange and money-management applications.

MINISTER TO SEE GIRO CENTRE

Mr. J. Gregor Mackenzie, Minister of State at the Department of Industry, will visit the National Giro Centre at Bontle, Merseyside, on Thursday. He will tour the multi-story complex, and later have talks with both senior management and representatives of the industrial and white-collar unions.

GOING METRIC-IN BUSINESS

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"Conventional measures of corporate performance usually lead to a misallocation of corporate resources and lower share prices"; thus argues Joel M. Stern, vice-president of The Chase Manhattan Bank, in a new study, MEASURING CORPORATE PERFORMANCE, published by The Financial Times Limited.

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After demonstrating what he sees as the dangers of using popular measures of corporate performance, Mr. Stern then offers an alternative—free cash flow—the amount of net operating cash flow that a firm generates after tax and new capital investment needs are satisfied. MEASURING CORPORATE PERFORMANCE applies the free cash flow concept and model to real problems; selecting an appropriate dividend policy, calculating a firm's cost of equity capital, evaluating a target capital structure and communication of financial information.

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OVERSEAS NEWS

Franjeh and Karami join in plea for Beirut peace

BY HSIAN HUIZAI

BEIRUT, Nov. 30.

PRESIDENT Suleiman Franjeh and Premier Rashid Karami have announced a joint initiative to settle the seven-month-old Lebanese crisis, after arriving at what has been described as a common denominator.

In radio and television addresses to the Lebanese people last night, they called for an immediate and conclusive end to the factional fighting and the launching of national reconciliation. Both warned that unless the strife is stopped, the very existence of Lebanon would be threatened, and that the conflict could spread beyond the country's boundaries.

The statements were issued after an emergency meeting of the Cabinet. This was the first time President Franjeh has spoken directly to the nation since the crisis began. The five-minute address was called "historic" by the media.

"The very fate of Lebanon is threatened," the President warned, and emphasised that it was "national reconciliation" which was the only way out. It should begin by ending the fighting "once and for all," he said, and appealed to all factions to respond to his appeal.

In a speech, which he read on behalf of the Cabinet, Mr. Karami said if the inter-communal clashes continued "the disintegration of the Lebanese people would be difficult to avert" and that the conflict could spread outside Lebanon.

Observers here said the warnings by the two leaders were believed to reflect fear of outside intervention, mainly by Israel, in which case Syria may interfere as well. The development could lead to an outright Middle East war and possible world power involvement, they said.

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Moscow reports MPLA advances

MOSCOW, Nov. 30.

FORCES OF the Popular Movement for the Liberation of Angola (MPLA) are pursuing retreating units of the two other Angolan liberation movements and mercenaries north of the town of Caxito, the Soviet news agency Tass said today.

A Tass report from Luanda, the capital, said that in recent battles MPLA troops had inflicted heavy casualties and captured a motorised convoy with arms and ammunition.

Another Tass report said the MPLA had captured arms made in the U.S. and other Nato countries, South Africa and China, from the rival groups.

It said captured arms shown at Luanda Press conference included American anti-tank rifles, grenade launchers, recoilless rifles and mortar and artillery shells, and Belgian and British automatic small arms.

Tanzania said today that South Africa, in sending troops into Angola, was trying to create a buffer zone on its northern borders. A statement issued by the Foreign Ministry said since South Africa had admitted her troops were in Angola, Tanzania hoped all African governments would support the calling of an Organisation of African Unity (OAU) summit on the problem.

Rhodesian Prime Minister Mr. Ian Smith returned to Salisbury today from a two-week holiday in South Africa, and is expected to have talks with Black Nationalists aimed at solving Rhodesia's constitutional dispute.

Mr. Smith will probably meet Nationalist leader Mr. Joshua Nkomo this week to sign a declaration of intent to embark upon full-scale talks on the future rule of the country at present governed by Whites outnumbered 20 to one by Blacks. Reuter

THE NEW ZEALAND ELECTION

A dramatic reversal

BY DAI HAYWARD

WELLINGTON, Nov. 30.

IN A STUNNING political turnaround New Zealand voters on Saturday sent Wallace Rowling's Labour Government packing after only three years in office.

A Labour majority of 23 seats in the 87-seat Parliament was transformed on election night into a National Party majority for Robert Muldoon of 19. But two Cabinet Ministers, who scraped home with only eight votes and 68 votes respectively, could easily lose their seats when overseas and special votes are counted.

Three other Cabinet members, Health Minister McGuigan, Social Welfare Minister King and Education Minister Amos—ironically three areas where Labour considered it had put up an impressive record—lost their seats. Internal Affairs Minister Henry May will almost certainly go and Overseas Trade Minister Waddington is in doubt till overseas votes come in.

Average swing against Labour was 10.1 per cent, but in some electorates it went up to 19 per cent. Not only did Labour lose all the seats gained in its 1972 landslide victory under Norman Kirk, but saw long-serving Labour members, with what had been considered safe majorities, swept from office. Labour Cabinet Ministers formerly sitting on 4,000-plus majorities

scraped home by only a few hundred votes.

Even Prime Minister Rowling's own seat appeared in danger as he trailed in the early part of the counting, but he finished the night with his majority cut to one third.

Not even the new Prime Minister Robert Muldoon expected such victory. He had been hoping for a five- or six-seat majority. Instead he is safely in the saddle, completely vindicating his barn-storming election tactics, in which he campaigned tirelessly, waging non-stop attacks on Labour policies and on Rowling's lack of leadership qualities.

The National Party made better use of television in its campaign—the first time that television has been used so extensively in a New Zealand election. It also seized on some popular issues, such as Labour banning the Springbok rugby tour, to appeal to the emotions of the man in the street.

Labour had hoped its success in preventing unemployment would have won support, but it failed to get this success story across. It also failed to counter the charges that Labour's borrowing policy was leading New Zealand into bankruptcy. One feature of the election was the low poll. Contrary to expectations, the intense interest

shown in the election, with huge audiences at meetings of both leaders, was not reflected in voting. It would seem that thousands of voters, troubled and confused by intensive opposing advertising campaigns, decided not to vote. Eighteen-year-olds had the vote for the first time, and it seems that many of these refused to use it for either of the two main parties. Both the minor parties, Social Credit and Values, collected greater support than in previous elections, but are still in no position to hope to put a representative in Parliament. In crucial seats third-party voters obviously went back to National.

The Labour rout was as great in urban areas, where it holds most support, as in country districts. New members include two Maoris elected in European seats. It is the first time ever this has happened in New Zealand, and it is ironic that Labour, which holds the overwhelming support of New Zealand Maoris, should lose seats to two standing for the National Party. New Zealand has four Maori seats in which only Maoris can vote, and these as usual went safely to Labour.

Nobody expected or predicted the result. Most observers thought it would be a close contest, but various imponderable factors, including the youth vote, immediately this became possible.

The main immediate effect of National's victory will be in action to cut back immigrants and revoke some of the more unpopular Labour measures. National will scrap Labour's superannuation plan, which was devised as a piece of social welfare legislation, but backfired on Labour because the Government failed to sell its virtues to the man in the street, and National effectively produced a counter-plan which was sold as a much more attractive package.

The most immediate emotional effect of the National win could be an invitation to South Africa to send a Springbok rugby team to New Zealand next year. The All Blacks are due to tour South Africa, but National has said it would welcome the Springboks and the New Zealand rugby union has made it clear that an invitation will go to South Africa immediately this became possible.

Freed prisoner talks in Madrid

BY ROGER MATTHEWS

MADRID, Nov. 30.

SPAIN'S KING Juan Carlos cautions, and has spent over eight to-morrow launches into a fortnight of major political decisions which will do much to resolve the conflicting evidence over the political direction of the country witnessed during the past week.

Following Thursday's harsh police action against a crowd of would-be demonstrators, the King political prisoners outside the Carabanchel prison there was an effort this morning to prevent a violent demonstration outside the home of working class leader Marcelino Camacho, who had been given his freedom in the early hours of today, or to ban Camacho said at his Press conference. "We can only accept a system that has been endorsed by the people through free elections, not imposed on us by life-long fighter for working class

With Sr. Camacho were two other political prisoners, and they endorsed his demands for the release of all other detainees without exception. This would include the 1,000 convicted by violence. They also called for the return of all political exiles, a referendum of the future political organisation of the country and free trade unions.

Meanwhile it is understood that the King is now deciding whether to accept the resignation of Prime Minister Sr. Carlos Arias, presented to him during a two-hour meeting between the two men on Friday evening. Even if, as expected, Juan Carlos decides not to continue with Sr. Arias, there is no need for him to make the decision public for the next few days.

Pressure from the people would eventually force the King to introduce deep and basic reforms. It will be a mass, non-partisan effort in the streets, in the houses and universities. Already Juan Carlos has sworn to uphold the basic laws of the regime, and these are Fascist laws," Sr. Arias said at his Press conference. "We can only accept a system that has been endorsed by the people through free elections, not imposed on us by life-long fighter for working class

Europe-Iran gas deal uses Soviet 'switch'

BY ROBERT GRAHAM

TEHRAN, Nov. 30.

THE LONG-AWAITED agreement for the supply of natural gas to West Germany, France and Austria, via the "switch" arrangement with the Soviet Union, was signed here today. The agreement involves the supply of 11bn. cubic metres of gas per year over a 25-year period, beginning in 1982.

This will be supplied first to the Soviet Union, who will then "switch the gas"—taking it itself and then supplying an equivalent amount to Ruhrgas in West Germany, Gaz de France and OMV in Austria. The Soviet Union will also take an additional 2bn. cubic metres a year. Overall the contract thus envisages the supply of 13.4bn. cubic metres per year, 0.4bn. cubic metres being allowed for wastage.

West Germany will take 80 per cent, France 33.33 per cent, and Austria 16.67 per cent of the gas going to Europe.

The agreement will require the construction of a second gas pipeline to the Soviet Union costing some \$3bn. The gas itself will be coming from the Otrubne field in the Kagan field in South Iran. The three European countries will pay for the gas 80 per cent in the form of equipment supplied to Iran and 20 per cent in hard currency. Details of the financing of the pipeline have still to be made public.

The price will be gauged upon the basis of the gas sold to the Soviet Union. This is expected to be fixed at 90 cents to \$1 per 1,000 cubic feet. The Soviet Union is then expected to place the price paid by the Soviet Union under the Iran pipeline, plus on the same quantity.

Thus the three European countries will be paying between \$1.50 to \$1.70 per 1,000 cubic feet. This is substantially higher than the price paid by the Soviet Union under the Iran pipeline, operational since 1970. Then the price was fixed at 30.7 cents per 1,000 cubic feet of gas, and last year was raised 86 per cent to 57 cents.

Saudis shown Jaguar fighter

By Richard Johns

RIYADH, Nov. 30.

THE BRITISH Aircraft Corporation has launched a serious drive to sell the Jaguar fighter-bomber to Saudi Arabia. A sales team from BAC arrived here on Thursday when one of the aircraft in question also flew into Riyadh military airport. Since then its capabilities have been demonstrated to the Saudi defence chiefs.

Last night at a leading hotel here—with no pretence at secrecy—a presentation of the aircraft, including a film show, was made by the BAC men to Saudi officers and Ministry of Defence officials.

It is understood that the mission has come to Saudi Arabia at its own initiative, but clearly also with the blessing of the British Government. During Crown Prince Fahd's stay in London last month it is known that the Jaguar aircraft was discussed.

What clearly appears to be a hard sell by BAC follows soon after President Sadat's visit to London which resulted in the British Government opening the door wider to Egyptian requests for weapons—on the understanding that they would be paid for in cash by the oil-rich Arab states.

Belize talks date fixed

By Alan Riding

MEXICO CITY, Nov. 30. BRITAIN and Guatemala have agreed to resume "wide-ranging negotiations" on the future status of Belize, just one month after Britain sent military reinforcements to the Central American colony following fears of an invasion from Guatemala.

Mr. Ted Rowlands, Minister of State at the Foreign Office, who arrived here last night following visits to Belize and Guatemala, said it was difficult to be optimistic after almost a decade of fruitless negotiations on Guatemala's claim to Belize.

"But I sense there is a will to negotiate," he said in an interview. "There is an equal desire to negotiate in Belize and Guatemala as there is in Britain."

The negotiations will take place in February next year, with Britain represented by its Ambassador to the United Nations, Mr. Ivor Richard, who has taken part in earlier talks. No venue has yet been fixed.

India Cabinet changes made

NEW DELHI, Nov. 30. DEFENCE Minister Swaran Singh was dropped in an important Indian Cabinet reshuffle announced to-night and Prime Minister Mrs. Indira Gandhi took over the portfolio herself. Another senior Minister, Mr. Uma Shankar Dikshit, Minister for Shipping and Transport, was also replaced, in the first major changes since October last year.

Reuter

K. R. Sharma reports President's Rule—direct rule by the central government—was today clamped on the politically key state of Uttar Pradesh following the resignation yesterday of the Chief Minister, Mr. H. N. Bahuguna.



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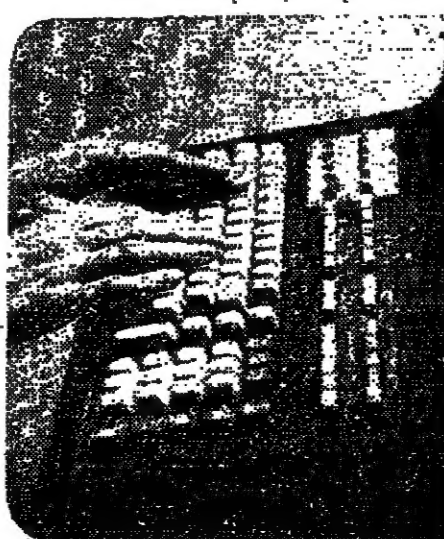
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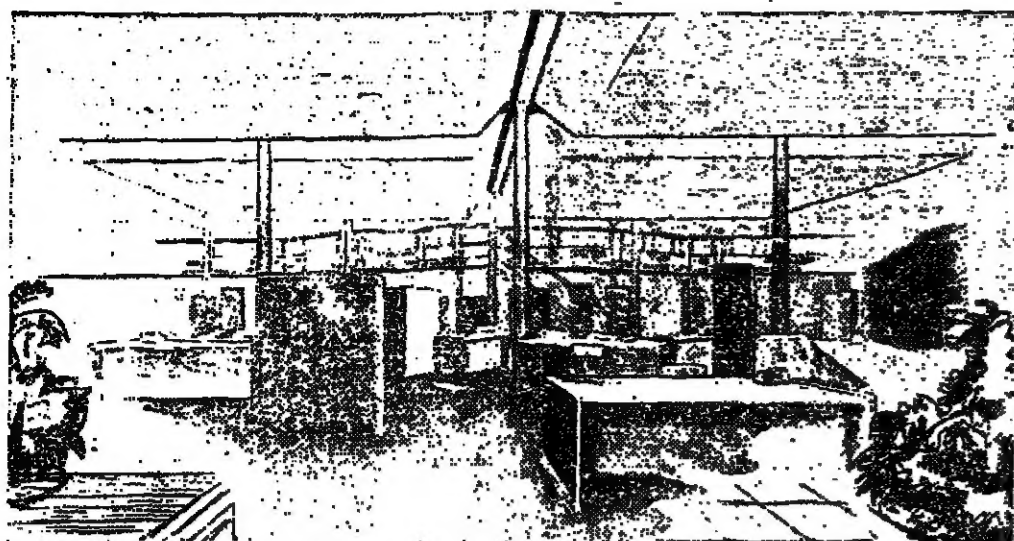
The Office World

EDITED BY JAMES ENSOR

ALLIED BREWERIES' NEW OFFICES

Stripping saves £1m.

BY ROY LEVINE



An artist's impression of how the new offices will look when the old warehouse has been converted.

"WE HAVE spent millions of employee) and its Victorian towards installing an air conditioning plant, the first time at Allied outside of the board room, and a complete new range of furniture. Three ranges of furniture were displayed on Allied's premises and the employees invited to vote on their choice. They settled on a range from Carsons. Staff were also invited to choose a colour plan and contribute to the detailed layout.

The lowered ceilings, containing the lighting, will hide at least half of the height of the pillars supporting the roof as well as the air conditioning unit. The concrete floors will be covered with latex and then fully carpeted. Then, the only vestige of the original interior will be the splendid Georgian windows, allowing lots of natural light on both sides. But even these will bow to the modern age by having anti-glare glass.

The open plan will have the conventional conference areas, meeting rooms and secretarial stations. But there will be only 11 cells—including two for those board directors involved in the move. On each side of the hall, balconies have been constructed to add space for more desks.

One spin-off of the move will be a general springcleaning of office routines. The microfilm operation will be extended and centralised as will the copier facilities—but a lot of stored paper will no doubt be destroyed and eliminated for good. There will be fewer internal phone calls, memoranda and less walking around. "Planning work is always better if contiguous" remarks Mr. Tetley. The secretarial work will be revamped into units of four and, because everyone is watching everyone else, security could improve, too.

It is arguable whether its new office will help Allied sell more beer. But at least its planning and administrative routines will improve and that should save overheads. Finally, despite some scepticism about intangibles at Allied, a better working environment normally makes people happier and therefore more efficient. Coming out of the Victorian age and into the 1970s could be an important milestone for Allied.

Consultants

A committee was set up to manage the conversion and the move under Mr. Len Mears, the company secretary. Although Allied has its own architects and engineering maintenance staff and has employed a local builder, it commissioned the consultants Organised Office Designers (OOD) to give advice. OOD's first move was to conduct a link analysis exercise to determine which departments would move into the new offices under phase I, involving some 230 people. This established which departments liaised most closely and hence were required to be adjacent in the open plan office. It also provided a rational basis for the move and eliminated any risk of employee grievances at being left out of phase I.

As the recession developed the Board limited the expenditure to £450,000 for phase I—enough to house seven departments, leaving the other nine in existing accommodation until further funds are forthcoming.

Christopher Lorenz reports on last week's telecommunications conference

The battle to save telephone costs

DOES "cost-conscious communications" require a business to throw out equipment and bar use of the telephone to all but a select few employees? Or can "cut back to save money" be the costliest policy of all?

This was the burdensome and controversial question which 150 communications managers from Britain's top companies gathered in Coventry to debate last week after a painful seven months when the average business telephone bills almost doubled, thanks to two swingeing Post Office price increases.

Apart from stressing that telephone tariffs have not gone up as quickly as the cost of living (see graph), the Post Office was out in force to field the criticism and demonstrate its new marketing drive. When its officials left after the annual conference of the Telecommunications Managers' Division of the Institute of Administrative Management (TMD) out of LAM, for short, they took with them a series of demands for greater productivity, improved P.O. accounts, clearer costing of tariffs, and private enterprise competition in the provision and maintenance of business equipment.

The catalogue will provide valuable if uncomfortable fodder for the Government, the P.O. itself, and particularly the new official inquiry into the P.O. But in immediate terms the most important contribution of the conference was to clarify an issue facing every business in the land—and perhaps even some departments of government—how to restrain communications costs without impairing organisational efficiency and morale.

On the surface, the debate quickly developed into a contrast between the "slashers," such as British Leyland, Ford, General Motors and, of course, Chrysler, and the "investors" such as ICI, Shell and the London Electricity Board.

The main sparks were generated by Mr. L. V. Hope, of Ford Motor Company, and Mr. A. H. Derbyshire of ICI. Many of the delegates were shocked to hear Mr. Hope describe how he was instructed as long ago as last year to find ways of reducing

communications expenditure by eight to ten per cent. "in broad terms, take out a million dollars" (a year). Not too difficult for an organisation which had been carrying spare communications fat, but a major task for an already lean set-up like Ford's. Two of Mr. Hope's weapons were: limit all calls to a maximum of ten minutes' duration; in every area bar at least 50 per cent. of extensions any access to the public network.

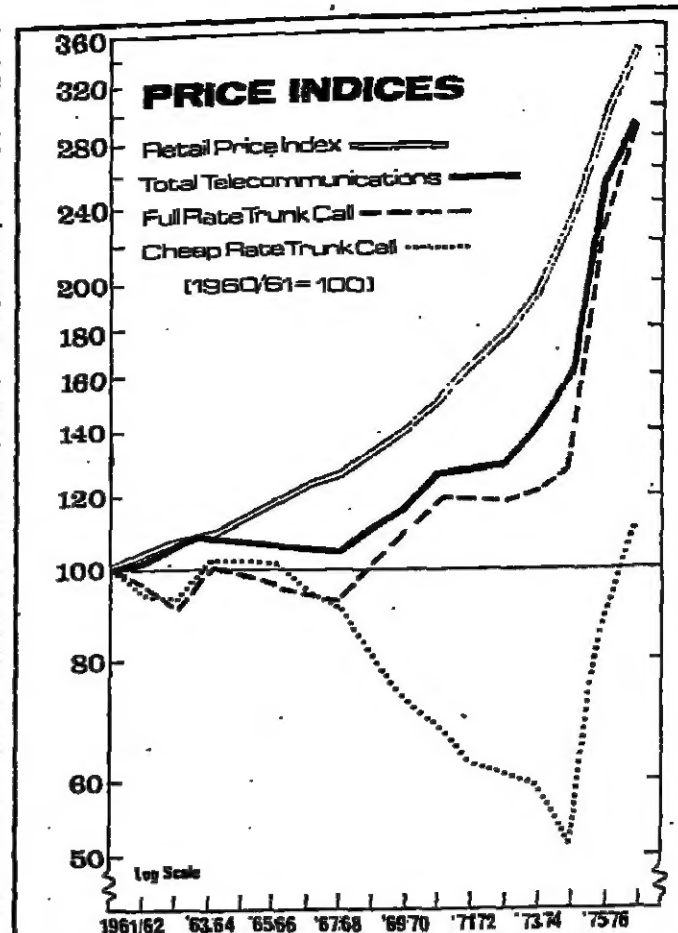
Ford employees were also told to do the obvious things such as minimise calls in the peak tariff period (now throughout the morning—when some companies have gone so far as to ban calls completely). Ford has also taken out quite a lot of telephones, and Mr. Hope claimed that the removal of magical, card call maker, repertory dialler and loud-speaker telephone equipment "need not be such a hardship."

The Post Office is naturally alarmed at such drastic talk, since it suggests that one company after another may return equipment while the recession lasts, but then ask for it all to be replaced as soon as the recovery arrives.

Mr. F. G. Phillips, Marketing Director of P.O. Telecommunications, warned that this could result in a repetition of the mid-1960s situation, when the P.O. and its customers were caught by a rapid surge in telephone demand—which in turn led to escalation of waiting lists and criticism by many frustrated subscribers.

The customer's side of this argument was forcefully put by ICI's Alan Derbyshire, who appealed for a steady investment programme which was unbroken by business troughs. "Telecommunications managers should be running systems where costs can only be cut by reducing the level of service below that which is required for the proper running of the business," he claimed.

Compared with other parts of a business, special conditions applied to telecommunications, he suggested: telecoms costs over which the manager had direct control were only a small proportion of the com-



question of whether short-term capital costs will reap long or even medium-term revenue savings — which received an emphatic "yes" from the Shell delegate, for example — has a strong bearing on the "private wire" debate. With more major companies installing for their exclusive use large-scale networks of lines rented from the Post Office, the subject crops up continually in the business communications world. Much has been made of the fact that private wires have become particularly attractive since last month, when the differential with public call charges was increased. Mr. Phillips from the P.O. warned that previous differentials would have to be restored, and that five-year fixed-term contracts for the rental of wideband (large capacity) circuits were unrealistic in these days of inflation. But he still expects private wires to be most attractive for many business users.

Networks

The closing conference statement, from Mr. O. N. F. Case of GKN, who is also the TMD chairman, was more than just a catalogue of demands. Every communications manager is intent on co-operation with the Post Office, whether he relies completely on the public network or installs his "own" (by leasing lines). The P.O. is already much more positive in its relations with business than most of its continental counterparts—especially on the establishment of private networks. But many communications managers would like to see customer representative groups given a greater role in P.O. policy-making. Hence Mr. Case's suggestion that the Post Office Users' National Council (POUNC) should play a major part in establishing, and later maintaining, a base for the differential between private wire and public network costs.

Hence, too, his even bolder remark that TMD was willing to spell out to the Post Office that "there is much more that can be done" to increase its productivity.

This factor, together with the

Twinlock's move towards better filing

BY ROY LEVINE

THERE is a greater awareness to-day of using space more efficiently in offices. This is reflected in the move towards the integrated approach to filing shown in the latest products on the market. The emphasis is to replace the old horizontal filing boxes with lateral files suspended in a cabinet which forms part of an integrated range of furniture that can take up corner space instead of being the centrepiece in an office.

This is certainly the approach being used by Twinlock in marketing the products of its main companies including the Shannon Group, which it acquired in February, and Carson Office Furniture.

"We are leaping on the bandwagon," commented Mr. Chris Glasson, director of the filing and systems division. "The shift in offices was one of the major reasons for the merger with Shannon. We expect that this new trend will begin to be reflected in our sales figure this year."

Twinlock reckons to have between 5 and 10 per cent. of the different sectors making up the £50m. a year filing market in Britain. Recently it has concentrated on what it regards as the fastest growing sectors—cupboards and the new lateral filing systems, both as individual items and in combination

—that reflect the shift towards better use of space.

Its two latest products, Multi-Stor and Data-tray, which are now being produced at its £1m. new factory at Crewe, have had a good reception in a soft market. The group's aim is to capture a larger slice of the EEC market, despite differences in design and habits.

"Our near-term aim is to have well over half our total turnover from outside the U.K.," says Chris Glasson. To that end it is marketing more energetically in France and already has a foothold in Holland and Benelux through its 46.9 per cent. holding in the van Dorp group

with a turnover in excess of £3m.

Its financial year-end is February 28, so that the slight upturn it has noted in the market of late could have a salutary effect on its results. "Overall, the market has contracted slightly in volume terms, but has remained fairly steady in value," says Mr. Glasson.

But things are worse in the £45m. a year office furniture market, he adds, noting that after two good years in 1973-74 this cyclical sector is still in the downswing. "In recent years buying office furniture has come to be progressively regarded as buying capital goods

—hence its increased volatility. At the same time, however, good furniture has come to be regarded as an employee perk."

Another shift he has noticed is the decreasing differentiation between the equipment dealer and the furniture salesman—a sure sign that people are beginning to take an overall view of the office. No doubt this message will not be lost on the group's 110 salesmen operating out of 14 branches in the U.K.—still split into three forces under the original name of each of the main companies. Shannon and Carson sell direct to the customer while Twinlock sells only to its 3,000 trade clients.



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LABOUR NEWS

TGWU's quiet elections could affect economy

BY LORELIE OLSLAGER, LABOUR STAFF

WITHOUT FANFARE or public election, and all appear to have been nominated again. Very few are thought to be in danger of losing their seats.

Most of the executive members are Left of centre, with a hard core of eight (including three or four Communists) on the extreme Left, but the institutionalised power of the general secretary, his traditional identification with Left of centre policies and his continuing contact with the grass roots have enabled Mr. Jones so far to win solid majority support for almost all his policies.

While the elections are not expected to lead to big changes in the political make-up of the executive, shifting majorities as much as possible—towards the Right or extreme Left—will tell both the executive and Mr. Jones how far they can go without risking the loss of rank and file support.

This will be particularly important in opposition to the 25 policy should build up in late winter and early spring, when inflation will have eroded the generous pay rises of the last round of wage bargaining and real standards of living begin to drop.

Public discussion of political fighting in the union are anathema to the TGWU, whose Left and Right unite in primly denying to outsiders that anything like a struggle for power could be going on.

Officially, candidates are known, esteemed and elected for

the contribution they make to the union, irrespective of their political creed.

Yet there can be no doubt that Left and Right are jockeying for positions. In many regions an unusually large number of candidates are said to have been nominated.

Information is particularly hard to come by as electoral addresses are unknown in the TGWU and no clue to the candidates' thinking is to be gleaned from the ballot papers.

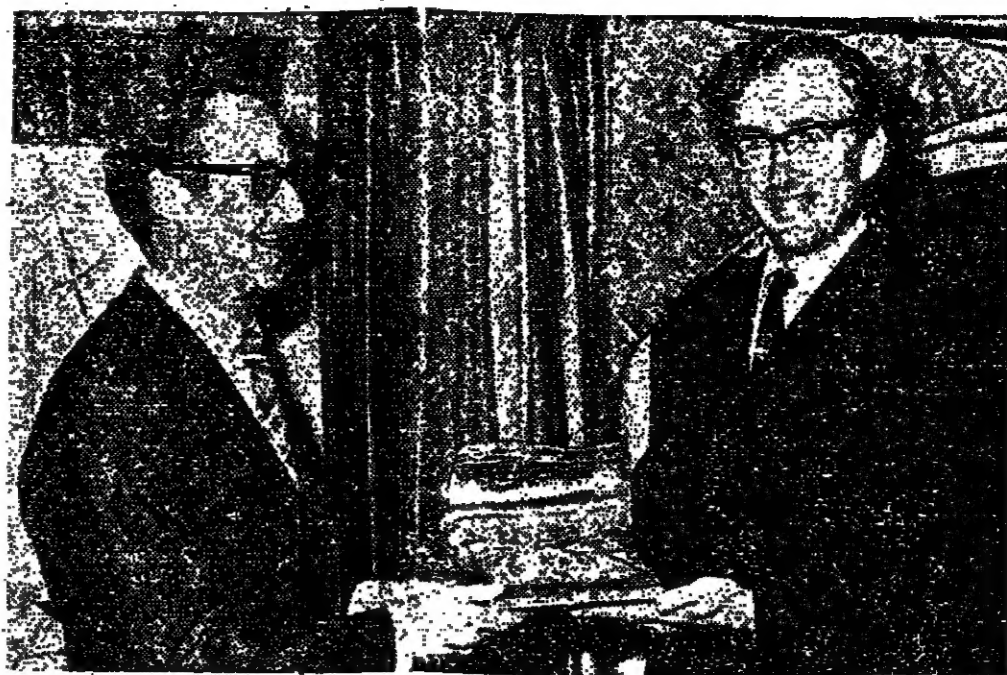
Leading candidates, of course, are known because of their union activities and usually have the support of a large number of branches. Even in their case, however, endorsement is often given just on the recommendation of a branch secretary and many ordinary members have only a hazy idea for whom they are voting.

Among the activists, attention is focusing on the contests in the three most populous regions—London, the Midlands and Lancashire.

In the Midlands, traditionally Left but which swung Right in the AEU elections, a Communist has vacated his seat upon appointment as a union officer.

In the GLC area, a complicated struggle is going on between candidates of various trades as well as different Left-wing persuasions. In Liverpool a non-Communist Left-winger is trying to capture a seat that so far has been held by a man of the centre.

F.T. CLIPPER RACE, IN LONDON...



CAPT. MIKE GILL, skipper of the winning Great Britain II on the London to Sydney leg of the Financial Times Clipper Race, receives the Dolphin Trophy from Mr. Alan Hare, the newspaper's chief executive (left).

replacement sails for the second crew's return race to London.

Capt. Gill said it had been a happy voyage, and they encountered no really bad seas, though Chief Petty Officer John Parfoot had been washed overboard for two minutes when a sail collapsed. That the French yacht Kriter II had so nearly caught GB II in the final stages of the race was put down to bad luck with weather, hitting storms the French missed and then getting becalmed.

It looked, said Capt. Gill, as if GB II was faster in light airs, while Kriter II had an edge in heavier winds. Lt.-Col. James Myatt, the project director for the British boat, said that in the second leg "the gamble of the race will be who gets close to the ice going toward Cape Horn."

...AND IN SYDNEY

Frustrated Italians sail in hungry

BY ALEC BEILBY

SYDNEY, Nov. 30.

THE THIRD yacht to complete the first leg of the Financial Times Clipper Race from London to Sydney, the Italian schooner CS e RB II, crossed the finishing line at the entrance to Sydney harbour at dawn today after two days of frustration in alternating gale-force headwinds and

uneventful. The problem of food and water, he said, had worried him more than the weather of the Southern Ocean in spite of taking the most southerly track line of the competing yachts. Only four severe storms were encountered he said and even these gave no cause for concern in this sturdy yacht.

Once ashore, the crew of CS e RB II attempted to compensate for their hardships with a breakfast of king-sized Australian steaks, fresh salads and fruits and a Methuselah of Australian champagne, but they did not find it easy to do justice to the spread.

Frustrated

The problem for the Italians was that they had not allowed for the notorious early summer Pacific weather which makes eastern Australia one of the most exhilarating or frustrating sailing areas in the world. As they left Bass Strait, between Tasmania and the mainland, their met sails from beneath cloudless skies by day and long chilly calms by night.

Finally, at 5.30 a.m. today, as the sun rose the breeze gave them the help they so badly needed, and they crossed the finishing line.

English cook

There were two English members of the crew, Elnora Waring, a former photographic fashion model who sailed as cook, and Geoff Cross from Lytham St. Anne's.

The Italian skipper, Doi Malingri, nonchalantly described his 91-day voyage as relatively

Left-wing drive in UCATT poll

BY JOHN ELLIOTT, LABOUR EDITOR

COMMUNIST PARTY supporters man expected to gather party or Leftist support, is standing, campaigning to be elected to the 15-man council of the Union of Construction, Allied Trades and Technicians in elections which start today.

These are the first national elections for the full council to take place at one time since UCATT was formed from a series of union mergers in 1971. The voting will take place at branch meetings over the next two weeks.

Because many of the candidates are well-known figures in their localities, and because the election has become a key internal political issue, UCATT expects, on past performance, that 15-20 per cent of its 275,000 members will take part. This is high for branch-based elections as opposed to postal voting.

The union is divided into 15 districts according to geographical area and different trades. In each district either a Communist Party member, or a

man expected to gather party or Leftist support, is standing, campaigning to be elected to the 15-man council of the Union of Construction, Allied Trades and Technicians in elections which start today.

Opponents of the Left-wing campaign have identified "moderates" among the 85 candidates standing and an anti-Left bandwagon is now getting under way in support of them.

Among Left-wingers standing is one prominent Communist, Mr. Jack Henry. He is on the existing council and came to prominence about seven years ago during a long strike on a Government office-building contract in Horseferry Road, London.

Another prominent Communist, Mr. Lou Lewis, at that time was leading a strike on London's Barbican development and he is now one of two Left-wingers standing in a separate ballot for election to full-time official jobs in the union's London area.

Various rule changes are also being voted on now.

MPs asked to take up 'union coercion' cases

BY OUR LABOUR STAFF

MPs WILL BE ASKED to raise the case of the "Ferrybridge Six" dismissed from Yorkshire power station for not belonging to one of four unions recognised by the Electricity Council under a closed-shop agreement, when the Trades Union and Labour Relations (Amendment) Bill has its Second Reading in the Commons later this month.

Mr. Paul Nicholson, general secretary of the Confederation of Employee Organisations, which has taken up the case of the six men, said that he would also circulate all MPs with copies of a letter he received from Mr. Michael Foot, the Secretary of State for Employment, on the question of withholding unemployment benefits from the men.

Mr. Foot said in his letter that unemployment benefits could be withheld for six weeks if a person was suspected of "misconduct" or had voluntarily quit his job.

He added that "a person who declines to fall in with new conditions of employment which result from a collective agree-

ment may well be considered to have brought about his own dismissal."

A decision was up to the independent social insurance authorities.

Mr. Nicholson said that Mr. Foot was "trying to make it legally fair to dismiss people for not joining trade unions under a closed shop. This is a new dimension of coercing people into union membership."

TriStar deal 'negative'

BRITISH AIRWAYS shop stewards at Heathrow have told union members that last week's agreement on flexibility pay for servicing TriStars amounts to "absolutely nothing" because it will have to be counted towards the 55-a-week permissible pay rise.

The stewards, who were not involved when the deal was negotiated by union officials, want new talks on flexibility.

U.K. 'reduced by strikes'

BY OUR LABOUR EDITOR

A RADICAL change in the role of trade unions with strikes being outlawed is called for today by an academic economist as a basic way for Britain and other countries to pull out of their economic crises.

The economist, Professor W. H. Hutt, 78, who has written widely on economics, strikes and wages, puts forward his ideas in a paperback published by the Institute of Economic Affairs.

In a comment published at the end of the book Lord Feather, former TUC general secretary, says that Prof. Hutt pays "more attention to the economic arguments of some economists than to trade union thought."

He says that "the strike-threat force has contributed to the reduction of Britain to the status of a second-rate economic and political power."

Suggesting that trade union methods have effectively lowered earnings because investors do not fund strike-prone projects, he proposes the reintroduction of the essence of the 1799 and 1800 to-work formula.

Combination Acts to outlaw "conspiracy" which exploits consumers. The result could be "sensational" and a "rapid economic miracle."

As an alternative, he suggests a five-year moratorium on strikes in return for a Government commitment to end inflation by maintaining a constant long-term price index.

Hobart Paperback No. 8. The theory of collective bargaining 1930-75. The Institute of Economic Affairs, 2, Lord North Street, London, S.W.1. Price, 52.

IN BRIEF

Demand for work Men laid off at the Princess line at Leyland's car assembly plant at Cowley because of component shortages are being asked by their shop stewards to return and demand the right to work.

Pubs strike ends Suggesting that trade union A dispute which shut more than 470 pubs in the Midlands ended yesterday when the 1,300 not fund strike-prone projects, he proposes the reintroduction of the essence of the 1799 and 1800 to-work formula.

Capital equipment without capital.



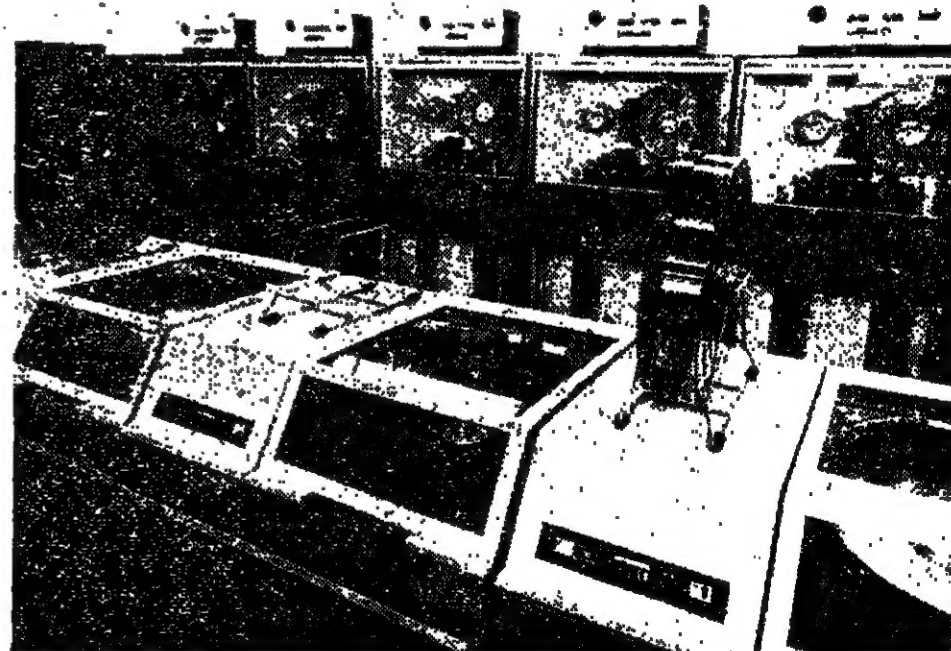
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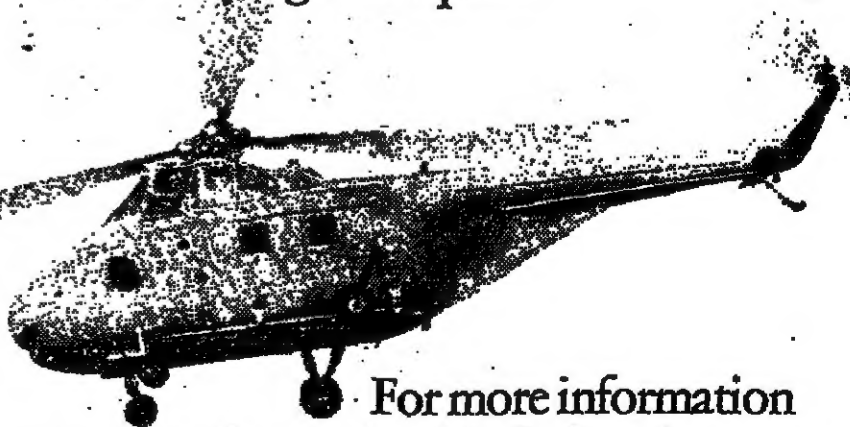
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APPOINTMENTS

Sime Darby Group posts

Mr. L. R. Patterson has been appointed to the Board of SIME DARBY LONDON and elected chairman. Mr. J. E. Bywater will remain on the Board in a non-executive capacity. Mr. Patterson is to be regional director, Europe, for the parent company, SIME DARBY HOLDINGS, with the additional responsibility of co-ordinating the group's trading activities, especially in the Middle East.

Mr. Norman C. Flood has been appointed a director of EMI (AUSTRALIA).

Mr. E. Spinelli has been appointed managing director of FIAT (ENGLAND), and succeeds Mr. G. L. Bracco, who leaves the company to take up a new post within the Fiat group. As a result of Mr. Spinelli's appointment and the retirements from the Board of Mr. F. Prose, Mr. G. Boella and Mr. G. L. Bracco (all three former managing directors of the company), Mr. H. C. Ellis and Mr. C. Higham, the Board of Fiat (England) now comprises Mr. V. Di Canzio, Mr. W. Fenoglio, Mr. F. S. Fryer (secretary), Mr. W. Macdonald, Mr. E. Spinelli, Mr. A. Basile becomes assistant managing director having been general manager of FIAT CANADA.

Sir John Mite has retired as chairman and director of BORHAT TEA having reached retiring age, and Mr. N. S. Goldwell is appointed chairman. Sir John has also retired as chairman and director of BARAORA TEA HOLDINGS. Sir Colin Campbell is appointed chairman and Mr. N. S. Goldwell joins the Board. In addition Sir John has retired as chairman of CHUBA TEA, but remains on the Board. Sir Colin Campbell is appointed chairman and Mr. N. S. Goldwell deputy chairman.

Mr. E. Shaw, managing director of IPT BUSINESS PRESS (Sales and Distribution), has also been appointed chairman.

Mr. Anthony J. Buckley has resigned from the Board of ROCK WARE GROUP and Mr. Gordon D. J. Hay, a director of Slater Walker Ltd., has been appointed a director.

Mr. Jürgen H. Lindemann, deputy head of the foreign exchange trading operation of BANKERS TRUST in London, has been elected a vice-president of the bank.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Env. Design at St. Katharine-by-Tower (cl. Jan. 3)	Design Centre, S.W.1
Current	Royal Smithfield Show (cl. Dec. 5)	Earls Court
Dec. 2-6	International Woodworking Industries Exbn.	Olympia
Dec. 2-7	Custom Car Show	Alexandra Palace
Dec. 3-7	National Exhibition of Cage and Aviary Birds	Earls Court
Dec. 31-Jan. 11	International Boat Show	Olympia
Jan. 1-11	Camping and Caravan Exhibition	Metropole Centre
Jan. 4-7	Brighton Gift Fair	Derby
Jan. 6-10	Homes, Food, Fashion and Leisure Exhibition	Royal Hort. Halls
Jan. 10-17	Int'l. Racing and Sporting Motor-cycle Show	Bingley Hall, Birmingham
Jan. 10-18	Holiday '76 Show	

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Hong Kong Diamond Fair (cl. Dec. 4)	Hong Kong
Current	Inventions and New Techniques Exbn. (cl. Dec. 7)	Geneva
To-day	Chemical Industries Exhibition (cl. Dec. 4)	New York
To-day	Int. Ind. Fastener Engineering Exbn. (cl. Dec. 5)	Brussels
Dec. 2-10	Handling Equipment Exhibition	Beluit
Dec. 3-17	Beirut Motor Show	Amsterdam
Jan. 5-8	International Caravan Show	Utrecht
Jan. 6-9	Travel and Leather Goods Souvenirs Fair	Milan
Jan. 6-9	European Knitwear Exhibition	Chicago
Jan. 7-9	Consumer Electronics Show	Paris
Jan. 8-12	Carpet and Floor Coverings Exbn.	San Francisco
Jan. 8-12	National Sports and Boat Show	

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Current	Bradford Univ. Industrial Marketing (cl. Dec. 5)	Emm Lane, Bradford
To-day	Financial Times, Berlingske Tidende, Helsinki Sanomat, Norwegian Journal of Commerce and Shipping and Svenska Dagbladet: The Private Sector in Tomorrow's Economy (cl. Dec. 2)	Copenhagen
Dec. 3	Brad. Univ. Corporate Planning (cl. Dec. 5)	Heaton Mount, Bradford
Dec. 3	Inbacon/AIC: Problems of Staff Remuneration	Financial Times Cinema
Dec. 3	Inst. of Work Study: Man Services in Textiles	Novotel, Bradford
Dec. 3-4	Financial Times: Third World Insurance Conference	Royal Lancaster Hotel, W.2
Dec. 3-4	IPC: Employment Law in Printing and Publishing	Regent Centre Hotel, W.1
Dec. 3-5	Frank Jenkins: Planning Media Relations	Connaught Rooms, W.C.2
Dec. 4	Microfilm Assn. 7th Annual Seminar	City University, E.C.1
Dec. 4	BACIE Nat. Conf.: Trends in Training	Grand Hotel, Eastbourne
Dec. 4	BIM: Local Protection for Employees	Management House, W.C.2
Dec. 5	Inv. Bulletin: Here Comes Tomorrow. Part II	Royal Garden Hotel, W.3
Dec. 5-7	Founding Your Own Business	Manchester Bus School
Dec. 7-10	IPM: The Management Development Process	Clive Hotel, N.W.3
Dec. 7-10	W. D. Sent: Effective Office Management	Moor Hall, Cookham, Berks.
Dec. 8-10	Tark Organisation: Effective Leadership	London, S.W.1
Dec. 8-12	AERAKS: Basic Sciences Course	Richmond Hill Hotel
Dec. 9	Inst. Admin. Man: Telephone Supervisors	Bloomshury Cms. Hll, W.C.1
Dec. 9	IPC: Community Land Bill	Cafe Royal, W.1
Dec. 9-11	Inst. Int. Auditors: Internal Auditing	South Bank Poly, S.E.1
Dec. 9-12	Urwick Centre: Man. Information Systems	Connaught Rooms, W.C.2
Dec. 10	Hull C.C.G. Development Opportunities in Hull	Hotel Russell, W.C.1
Dec. 10-11	Operational Research Soc.: Coping with Inflation	Portman Hotel, W.1
Dec. 11-12	Market Imv. Marketing Marketing Function	7 Kendall Place, W.1
Dec. 11-12	Converdy (P.A.): Prep. Conf. for Middle Man.	Brookhurst, Bants
Dec. 15	Inst. Marketing: New Product Development	Scottish Bus. Sch., Glasgow
Dec. 17-18	P.E. Cons. (G.P.): Fin. for Non-Fin. Managers	Training Centre, Egham
Dec. 18	Econ. Models Grp.: Economic Prospects for 1976	30, Old Queen Street, S.W.1
Dec. 18	Money Centre: Exchange Rate Movements in 1976	Carlton Tower, S.W.1
Dec. 18	Invest. and Prop. Studies: Taxation of Trustees	Royal Lancaster Hotel, W.2
Dec. 18	BACIE: Youth Employment and Training	Royal Hotel, W.1
Dec. 19	Finvo. Study Conf.: Practical Trust Planning	Savoy Place, W.C.2
Dec. 30-31	IEE: Electronics in Crime Prevention	Inter-Continental Hotel, W.1
Jan. 5	Euro. Study Conf.: EEC Patent Convention	

THE JOBS COLUMN

The big boss psychology

BY MICHAEL DIXON

APART from the contribution of dependable PER, a jobs famine has fallen upon this column this week. So, if regular readers will excuse it, I will once again state that any opening is eligible for announcement in this column, free of charge and of other conditions save that the employer must in all ordinary circumstances be named, and the salary be around £4,000 or higher.

That said, to a topic which has long beguiled me—the "big boss" psychology. Having served in the ranks below certain leaders of big organisations, I know that they can be rather peculiar people.

What brings this immediately to mind is that not long ago I left the Financial Times offices for home on a cold and rainy night, and sheltered in a doorway while waiting for a bus. Several other people were bunched there, and one of them looked like the man who had effectively been my ultimate chief when I worked at the Manchester branch of a large firm from 1956 to 1959. This chief and I left the branch almost simultaneously, I for unemployment, and he for the top ranks of the firm's London head office.

At first I wasn't sure whether the man in the doorway was cut

my old chief, but a glance at the initials glittering on his briefcase confirmed that he was. So I stepped across and introduced myself, saying I had worked for him in Manchester in the late 1950's. "Oh, how do you do?" he replied. Then he looked at me sternly over his glasses, and added: "Have you permission to be here?" He was not joking.

Since this, I have been wondering what made him ask that question. I mean, on whose behalf did he think he was checking up on me? But there does not seem to be anything in my knowledge or experience which offers an answer.

Here's another example, recounted by a man who at the time was the second-in-command of a big industrial group. Since there was nothing really pressing affecting headquarters, it was decided that the group's entrepreneurial chairman should spend a day touring its plants in Scotland.

The day before the visitation, the deputy went up to check that everything was in order. And early the following morning he went to the railway station to meet the chairman off the sleeper train from London. They had a silent coffee together in the nearest big hotel, and then the chairman said he must have a hair

The second-in-command sat waiting in the barber's until the top man came out, and then asked: "Well, shall we be going?"

"No," answered the chairman. "I've got to go back to London." And, there being a train just about to leave, he straightway went.

"There wasn't any need for him to return to London," I checked when I got back," the deputy told me. "It seems incredible to me that he should have been content to travel all the way from London to Glasgow and back again just to get his hair cut."

The third example came from the most patiently rational academic I have met. He was appointed adviser to a woman who had been given the job of setting up and running an ambitious retailing operation. She did this so well as to exceed the ambitions considerably.

Her approach to and methods of business—said the don, who was in a supreme position to judge—were rigorously logical. Except for one thing: before she would allow anyone to be appointed a manager, a full horseshoe had to be prepared for the candidate and submitted to her along with the job application. Having come across examples like these steadily over the years, I'd like to be able to de-

velop some sort of general theory of big boss mentality. I am not doing well so far. The only hypothesis I have is that in the remoteness of their high position, the being whom these people come to identify themselves with most closely is the Almighty. Certainly the rationality of their actions is often beyond the understanding of mortal souls below.

If any readers would care to help me, by sending their own theories or other examples of big boss behaviour, I would be very grateful. Requests for confidential treatment will be respected.

NOW FOR PER's jobs. Telephone the consultant named, on 01-235 7030.

Shepherd Foods wants someone aged under 50 to join its Board in South-west London. Candidates must have recent experience in the retail grocery business, preferably with big multiple concern. Salary up to £7,000. Car. Jennie Dalton, extension 206.

Freeman Fox and Associates wants an economist for London-based multi-discipline team helping with planning and feasibility studies world-wide. Candidates need bachelor's degree in economics and at least two years' work on transport or like. Higher degree an advantage. Salary around £4,000. Joe Ayre, ext. 208.

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ANALYST/PROGRAMMER £4,500
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METHOD OF APPLICATION: Application Forms are obtainable from the Nigerian Railway Corporation, Lagos Office.

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M. KABARA, Liaison Officer.

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HOME NEWS

Hovertrain axe justified, say experts

BY DAVID FISHLICK, SCIENCE EDITOR

A PARLIAMENTARY select committee was wrong when it criticised the Government's decision in 1973 to stop development work on the hovertrain, says a panel of transport experts.

The panel says that not enough was known about the underlying science to justify large scale demonstrations of advanced ground transport schemes, of the kind represented by the hovertrain and its special track at Earth, near Cambridge.

The failure of several recent demonstrations overseas underlined the "absence of an adequate body of knowledge," says a panel of the Science Research Council's engineering Board with Mr. J. A. Stokes as chairman.

Resolving the unknown factors would require a major research effort and the Science Research Council had a major role to play in sponsoring such research.

Rotating rig

Government departments, British Rail and GEC as well as the universities were represented on the panel.

The recommendation from the select committee on science and technology that the mile-long Earth test track should be maintained as a focus for university research.

Miners win £25,000 for injuries

By Our Sheffield Correspondent

FOUR FORMER Yorkshire miners, all seriously hurt in colliery accidents, have received £25,000 each in out of court settlements with the National Coal Board.

The decision—confirmed by the Board and Mr. Arthur Scargill, Yorkshire Miners' president—is regarded as an important development in common law damage claims. It could have implications in other coalfields.

The cases were taken up by Mr. Scargill, who is also the area compensation agent, two years ago, after visiting a coalfield centre for paraplegic miners. At that time, none of the four was pursuing damage claims.

In one case the injuries are understood to date back to 1949. Local miners' compensation officials believe that the break with normal time limit guidelines could be important for future cases.

Other cases

The Coal Board said that all four cases involved specific circumstances. But Yorkshire miners' officials are considering at least six other cases for further action.

The four awards mean that the National Union of Mineworkers in Yorkshire has won more than £1m. in damages and settlements for injured miners and their families this year.

Experts probe Hill crash in fog

POLICE AND aviation experts were yesterday combing the spot where former racing driver Graham Hill died in a plane crash at the weekend.

The light aircraft came down on Arkley golf course near Barnet, Hertfordshire, killing the 36-year-old car ace and five other people with him.

The crash happened in dense fog as Mr. Hill and members of his racing team were returning from Marseilles. He was attempting to land at Elstree, about three miles away. The aircraft hit two sets of trees before coming to rest on the third tree on the course.

After the crash the plane, a six-seater Piper Aztec, was a burnt-out wreck. Mr. Hill was identified by dentures.

Mr. Hill, who became a race car constructor on retiring from grand prix competition a year ago, had been testing a car for next season's racing at a French Riviera racing circuit.

Scotland Yard confirmed that among the dead was racing driver Tony Brise, Mr. Hill's protégé.

Hill was described last night by a man who had flown with him as a "first-class pilot. He was meticulously careful," said Mr. Robert Langford, secretary of the Grand Prix Drivers' Association.

Mr. Hill had been flying for a number of years, said Mr. Langford. He had to travel long distances and it was the quickest way.

"He was not a daredevil on the tracks and he certainly was not one in the air," his widow, Betty, said at her Hertfordshire home.

Men and Matters, Page 12



Graham Hill briefs his driving protégé, Tony Brise, at Silverstone in July.

GRAHAM HILL, awarded the OBE in 1969 for "services to motor racing," was one of the greatest racing drivers in the history of the sport.

He announced his retirement from Formula 1 grand prix competition in July this year.

He was looking forward to a new career as the constructor and entrant of racing cars bearing his name.

His list of motor racing triumphs is headed by his double world champion titles, in 1962 and 1969.

AURORA HOLDINGS LIMITED

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar.

All correspondence and documents for registration regarding the Share and Stock Registers should in future be sent to:-

Lloyds Bank Limited,
Registrar's Department,
The Causeway, Goring-by-Sea,
Worthing, West Sussex, BN12 6DA.
Telephone: Worthing 502541
(STD Code 0903)

A. G. KEYWORTH, Director and Secretary.

Chemicals forecast 5% output rise

BY RHYD DAVID

A RISE in output of 5 per cent, next year, going half-way to recover the 10 per cent drop expected for this year, is being forecast by the U.K. chemical industry.

A further 10 per cent rise is thought possible in 1977, leaving the industry about 8 per cent ahead of its output last year.

The forecast is made by the Chemical Industries Association, in a report on 1974-75, but it says that improvement will depend on the Government's ability to bring inflation under control and on more satisfactory overall economic conditions.

The association reports a falling off in demand from the industry's customers of around 20 per cent, by the second quarter of this year, though sectors linked with final consumer markets such as pharmaceuticals, food additives and detergents have fared better than average. Export volume by mid-year was

also down about 20-30 per cent, but with imports falling by even greater amount, and with export prices also managing to stay ahead of these for imports, an improvement in the industry's overall trade balance is expected.

The industry's positive contribution to the balance of payments amounted to about £660m. last year, but based on figures to the end of September, the total this year could top £850m.

The Association also reports a jump in investment in the first half of this year of about 41 per cent, with further substantial sums due to be committed in the next few years.

Total investment by the U.K. industry was put last year at £330m, and in the first half of this year at £280m.

A survey published this week-end by Chemical Age puts West German chemical industry investment this year at about £2bn—an increase of 18.5 per cent over last year.

TUC and CBI link on import controls

BY JOHN ELLIOTT, LABOUR EDITOR

TUC and CBI leaders are to prepare a joint policy document on import controls which will emphasise points on which the two sides of industry have broadly common views.

The move comes after a private joint meeting of leaders of the two bodies last week when the talks which earlier this year led to a joint approach on the future of the National Economic Development Council were resumed.

Although the two sides of industry view the issue of free trade and protected industries from different basic standpoints, they share common ground on the need for the Government to take action to protect areas such as textiles and footwear.

While the TUC wants the Government to protect industries with a long-term future from

short-term problems caused by imports, the CBI is also keen for the Government to stop dumping and other imports which disrupt U.K. industry.

The CBI wants the action to be taken within the bounds of the GATT agreements while the TUC differs only slightly in believing that wider action may be needed.

These common lines of policy, which TUC leaders believe strengthen the case for urgent Government action, are to be explored by the CBI and the TUC.

The General and Municipal Workers' Union has written to Mr. Eric Varley, Industry Secretary, demanding a response to the union's calls for Government action to save the television tube industry, in particular, Qlikington's Ravenshead factory at St. Helens, Lancs.

Domestic recession 'likely to end in first-half 1976'

INDICATIONS are that the domestic recession will come to an end in the first half of next year, Dr. David Lomax, economic adviser to the National Westminster Bank, says in an economic outlook to-day.

"Recent economic indicators provide further support for the view that the rate of decline in economic activity is gradually slowing down."

"The volume of industrial production, after falling sharply by 4.1 per cent in the second quarter of 1975, declined by only 0.5 per cent in the third quarter, while the volume of consumers' expenditure, which declined by

1.9 per cent in the second quarter, showed a considerably more moderate (0.8 per cent) fall in the third quarter."

While total consumers' expenditure, including housing, fuel, light, and cars as well as goods purchased through shops, showed a slower decline, volume of retail sales, covering spending through shops only, fell by 3.1 per cent in the third quarter (2.5 per cent in the second quarter).

"With exports also depressed by investment and stockbuilding, the only buoyant component of economic activity remains public expenditure, which declined by

Inductotherm opens extensions

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

INDUCTOTHERM EUROPE, of the general economic situation which has expanded output of

electric furnaces for the forging and foundry industries nearly tenfold in four years at its Droitwich, Worcestershire, head-quarters, has opened new extensions.

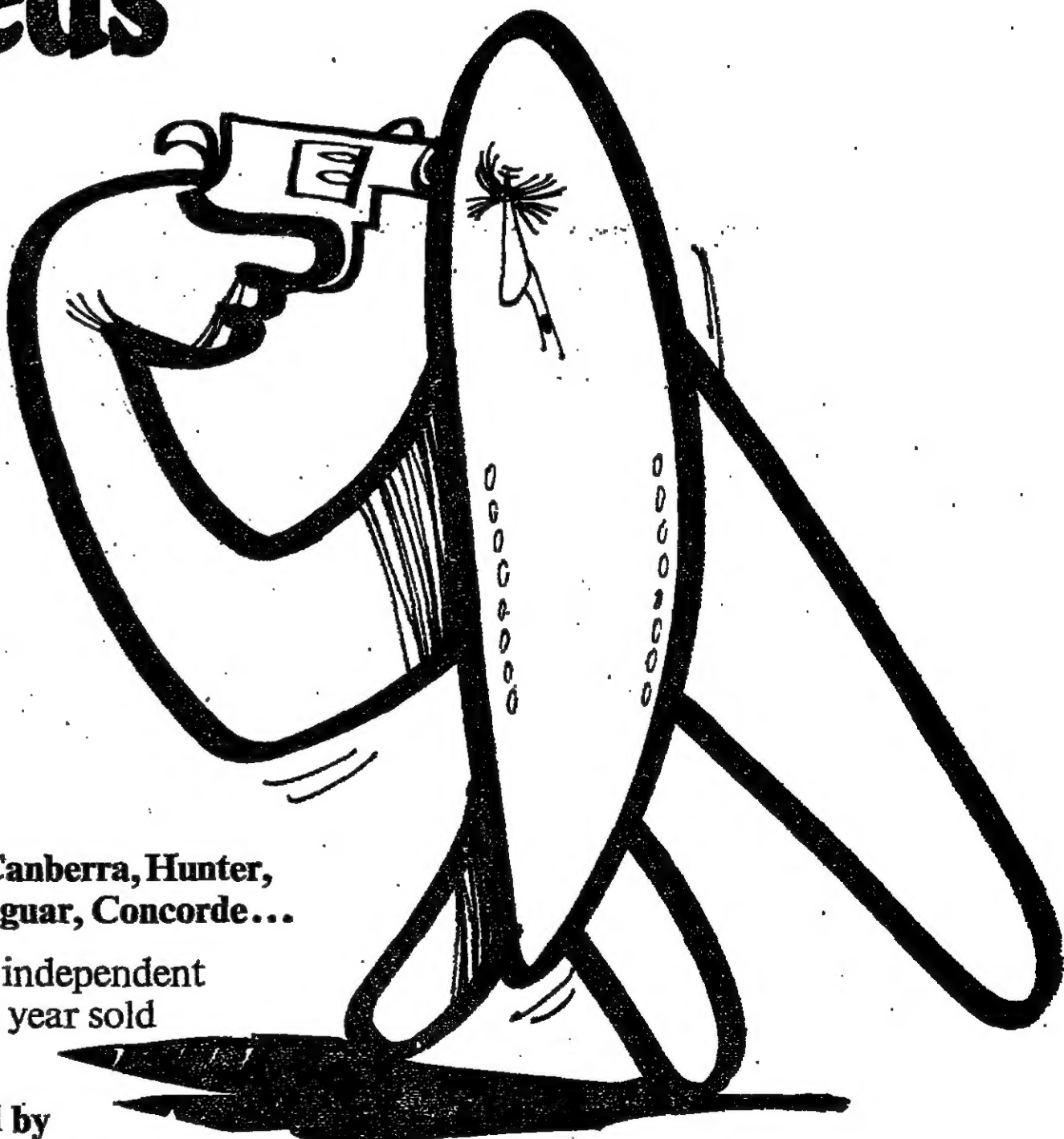
These will help it to further improve exports, now running at nearly two-thirds of its £6m. a year turnover.

Mr. John Perks, director and general manager, believes that the electrical equipment making the Arctic to India in the past industry can expect to run ahead five years.

"The world's metal processing industries are moving steadily towards electric furnaces—not only because of the cost and supply problems associated with fossil fuels, but because electric furnaces are capable of a higher degree of automatic operation and contribute less to atmospheric pollution," he said.

The company has supplied furnaces to nearly 40 countries from the Arctic to India in the past

Britain's aircraft industry needs nationalisation like it needs a hole in the head!



Spitfire, Hurricane, Comet, Viscount, Canberra, Hunter, Lightning, VC-10, Trident, Harrier, Jaguar, Concorde...

These famous planes were built by an independent aircraft industry. An industry that last year sold £631,000,000 in exports.

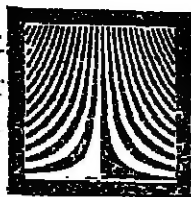
Now the aircraft industry is threatened by nationalisation. The Government wants to grab the successful British aerospace companies.

Not because they need it.
Not because they will be more efficiently run by Whitehall.
Not because they're not earning currency for Britain.

The nationalisation plan is simply political dogma. For this country, and for you, it could be one of the most mischievous pieces of politics ever.

Drop the state grab of the aircraft industry NOW!

If you feel strongly that Britain's aircraft industry should NOT be nationalised, you should write to your MP at the House of Commons, London SW1A 0AA.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

INSTRUMENTS

Cuts production cost

A RUGGED and reliable analyser for the continuous measurement of sulphate in the production of phosphoric acid by the "wet" process has been developed by engineers at Albright and Wilson's Marchon Division in Whitehaven, Cumbria. The system has been patented in Europe, Australia, Canada and the U.S.

Replacing the slow manual method of analysing sulphate during acid production, the analyser and the associated analyser are self-activating, self-cleaning and reliable in operation. The system took four years to perfect.

On current raw material prices, savings of between 20 and 30 pence a ton of phosphoric acid are claimed for the analyser. This is equivalent to an annual

saving of about £40,000 on an output of 500 tons a day. For more than a decade, chemical engineers have been trying to automate the process of measuring sulphate used to achieve efficient filtration in this operation, but the problem always was to get a representative sample of acid out of the thick corrosive slurry.

Albright and Wilson's Marchon Division is one of the largest producers of detergent chemicals in the world, and is also a producer of compound fertilisers.

Its production of phosphoric acid is used in the manufacture of condensed sodium phosphates, principally the detergent builder sodium tripolyphosphate, and in the manufacture of fertilisers.

Further information on the analyser from Albright, Whitehaven, Cumbria, (0946 3131).

AUTOMATION

Diamonds to revive a craft

AUTOMATED plant at Howley Park, Morley, near Leeds, for the continuous production of cut stone on a flow-line basis is reputed to be one of the most mechanised stone-working units in Europe.

Built by Fawson Bros. at a cost of about £400,000, it enables stone slabs to be produced by a labour force that is non-skilled except for supervisors and one stone-mason. The company's output has been trebled as a result of this mechanisation. Plant flexibility is such that production can be switched on demand to make stone slabs for building, paving, or walling. A major

factor in achieving this high output flexibility is the use of diamond tooling.

All these tools for the milling and sawing machinery have been supplied by Christensen Diamond Products (U.K.) of Shepperton, which also provided technical advice. Christensen envisages the possibility of using this kind of milling equipment to produce the most intricate work, even the kind of delicate tracery that for centuries has been the exclusive province of the highly skilled master mason.

Other diamond tool machinery newly installed includes five Anderson-Grice frame saws. An advantage of the use of surface-set diamonds on the saws is that the stone makes contact only with the diamonds, allowing space for the debris to be washed clear. Wear is also reduced, limiting the need for readjustment.

Christensen is on 08322 43236.

SHIPBUILDING

Same speed carrier but less fuel

BURMEISTER and WAIN shipyard is planning to introduce design modifications on its 60,000-dwt Panamax bulk carriers which will cut fuel consumption by over 30 per cent without affecting the cruising speed of 18 knots. The shipyard estimates that the saving on heavy fuel oil will amount to 18 tons a day, which cuts operating costs by about £160,000 a year at present prices.

The stern has been redesigned, enabling the size of the propeller to be increased in diameter from

six to nine metres. The propeller is enclosed in a semi-disk, which is kept constantly filled with water by the rotary motion even when the propeller tips are above wave level. The propeller is driven by the main motor but a significant reduction in revolutions is achieved via a gear.

The redesigned bulk carriers will be equipped with a seven cylinder two stroke B and W engine, which develops 13,000 bhp as opposed to the 18,500 developed by the engine used in the current models.

The bow has also been redesigned from the conventional elliptical shape to a semi bulbous form. In all other respects the ship is exactly the same as the bulk carriers now being built.

Patents for the new fuel economy bulk carriers have been applied for, the shipyard says.

COMMUNICATIONS

Message is scrambled

NEW Datotek scramblers have been added to the range of communications security equipment marketed in the U.K. by EAE Group—a Plessey company.

For the first time in this country there is a voice scrambler specially designed for use aboard aircraft. This model has application in military flight operations, in the provision of private air-ground links for VIP aircraft—and in helping to combat the dangers of hijack attempts.

Two other units—the DC-125 on-line teleprinter scrambler and the DF-300 facsimile scrambler—have application in the offshore oil industry, as well as in many kinds of other operation.

These units, manufactured by Datotek of Dallas, Texas, U.S., offer an extremely high level of security. They employ an enciphering system which uses a constantly varying code with a choice of 32nd, different, user-selected settings.

Unless the transmitting and receiving scramblers are exactly synchronised the print-out takes the form of an apparently ran-

dom sequence of symbols—thus the possibility of unauthorised interception of information is virtually nil.

EAE Group is at Eltham Industrial Estate, Bexley, Suffolk.

COMPONENTS

Safe shaft encoder

FERRANTI Rotating Components Group has developed an intrinsically safe optical shaft encoder which has been awarded the British Approval Service for Electrical Equipment in Flammable Atmospheres (BASEEFA) Standard SFA 5012: 1972 certificate for Group IIB gases in temperature class T4.

The main categories of gases covered are propane and ethylene for operating surface temperatures up to 135 degrees C. Two certificates have been issued—the first for the 2415 encoder and the second for an intrinsically safe system. The encoder is 2.4 inches in diameter and can be specified to provide between 100 and 250 counts per revolution. It is now cleared for use on petrol pumps, chemical process plants, in mines and

other hazardous environments. The certification tests were performed at the Mines Research Establishment, Red Hill, Sheffield.

Ferranti Thornycroft, Dalkeith, Midlothian EH22 2NG.

MATERIALS

Adhesive can bond strongly

RONAFIX is a free flowing, translucent, rubber emulsion. It is supplied ready for use as an adhesive or as a bonding additive to cement and sand mortars, screeds and concrete. Ronafix bonds a cement and sand or aggregate mix together and so that the mortar or concrete base set completely it will be very much stronger than normal, claims the manufacturer. The compressive strength can be as high as 12,000 lb./sq. inch, the tensile strength 1,000 lb./sq. inch and the flexural strength 1,000 lb./sq. inch.

Added to the mix in the right proportions it makes the cured mortar or concrete resistant to water penetration. At the same time it is an additive that will bond concrete to concrete or concrete to brickwork or concrete to steel. The adhesive joint can be as strong or stronger than the base concrete.

The liquid is added to the gauging water of a cement and sand or concrete mix.

Ronafix, Ronac House, 289, Ilford Lane, Ilford, Essex IG1 2SD.

Easier way of circuit production

A NEW ETCH gas has been formulated by LEE Corporation, Massachusetts, U.S., for use with low temperature plasma processing equipment, which will selectively etch silicon dioxide and nitride films, and does not attack the silicon substrate during the manufacture of semiconductor devices.

DE101 gas can eliminate the potentially hazardous and unpredictable chemical process at present being used, and is available through Dager International, Hayward House, Pinner, Middlesex.

DE101 is a non-toxic, non-inflammable and non-corrosive blend of carbon tetrafluoride and trace gases. It is capable of etching titanium, tungsten, tantalum and molybdenum, is less expensive than chemical processes, and eliminates the disposal hazard of toxic chemical waste. Dager is on 01-988 0024.

CONSTRUCTION

Exports promise at Paris show

COWBOYS in the British building industry who have been taking unsuspecting householders for expensive rides are due for a shock, Mr. Reginald Freeson, Minister for Housing and Construction, has told the Financial Times.

In Paris last week to visit the "British presence" at the gigantic 1m square foot Batimat building exhibition, Mr. Freeson disclosed that he was not a believer in caveat emptor, particularly where complex heating and ventilation systems or cavity wall foam packing were involved—and how could the average householder be expected to check the standards of new electrical work?

Far more stringent requirements are likely to be placed on the listing of companies by the nationalised industries' consumer unit as recommended suppliers. This is because such listing in the past has not always guaranteed good workmanship and materials, as quite a few people have found out to their cost.

Whether there will be a watchdog organisation set up with powers to intervene where a householder has cause for complaint remains to be seen. It would have to be able to cut through a mass of red tape and

accepted practice, but will be welcomed by anyone who is facing the prospect of spending considerable sums on a house with some trepidation. Any improvement in standards, particularly where safety is involved, can only be to the good.

In a brief talk to staff from some of the 100 British companies taking part in Batimat, the Minister warmly commended their enterprise and promised further support for exporters through a building industry board set up for that purpose. Any aid would be timely since preparing for exporting is becoming extremely expensive "fun". Many overseas countries subsidised the expenses of export teams in foreign travel—one very large ingredient of promotion costs—and perhaps it would be a good idea to copy.

But actually breaking into the Common Market from a British base could be a much more costly job than many anticipated, particularly where Continental and British styling and standards were miles apart. It might take well over five years, and as much as two years' work to define standards, interpret them and really is pulling out of the

doldrums. On some days one could have doubted this, but overall, particularly in the later stages, large attendances at a much bigger event than two years ago showed that business was again on the move.

In some areas, the stands were crowded. This was particularly the case for insulation products, grouped around half one of the largest of the seven pavilions. However, only St. Gobain, among many other manufacturers, tackled the whole problem of insulating against heat loss with a series of glass-fibre based products having various types of facings materials offering heat resistance in the house.

Rhodes-Foulenc offered heat insulation systems depending on layers to be added to the outside of buildings by spraying phenolic-based foams in densities from 30 to 80 kilos per cubic metre. A keying agent is painted on the walls first and a final coat of insulating paint added to keep the foam dry.

The French branch of Pittsburgh Corning was promoting a much more complex external insulation system requiring the anchoring of blocks of foamed glass to the wall followed by a covering of decorative and impervious material.

For large factory roofing pro-

THE AWAKENING
NORGREN OLYMPIAN
PLUG-IN-SYSTEM

Design Council Award 1974

COMPRESSED AIR PROCESSING EQUIPMENT

jects, layered materials based on Hypalon and glass fibre impregnated with Neoprene are available in sizes up to 100 square metres and offer excellent life and water resistance. A reasonable degree of fire resistance is conferred by glass fibre base and the density at around 1.3 kg. per square metre. Strati France is the maker.

One ingenious idea for double glazing called Chasiborn (Faca), employs a strip of unvulcanised synthetic rubber which is vulcanised in-situ after the extra glazing is put in place to provide a completely air and vapour-tight fitting. A strip of aluminium profile holds enough ductant to keep the space between inside and outside glazing permanently free from condensation.

Further details on these companies from French Trade Exhibitions, 196, Sloane Street, London, S.W.1. (01-235 3254.)

PROCESSING

Particles of metal removed

A DEVICE called a draw-magnet, for removing ferrous contamination from granular and powdered materials used in the plastics processing and chemical industries, is being produced by Regis Machinery (Sussex), Richmond Road, Bognor Regis (Bognor Regis 25661).

Unlike grid or grate magnetic separators, says the company, draw-magnets are self-contained units which may be permanently fitted to processing machines or installed in appropriate locations in vacuum-conveyor or

gravity fed materials distribution systems in large plants.

Each draw magnet consists of a light alloy chamber through which the material must flow on its journey to the processing plant. Two staggered rows of permanent magnets extending across the width of the chamber retain any ferrous particles which could damage the machine.

The state of the magnets and the material flow may be observed through a transparent panel in the access cover and the magnets, which are attached to this cover, can be cleaned and replaced with the minimum downtime.

The casting is left with ample material in the top and bottom flanges to allow machining to suit a particular installation. It is claimed that flow restriction is negligible.

CATERING

Spirits on tap all night

VENDOBAR provides an hotel all-night automatic drinks service of spirit miniatures, chilled mixers and soft drinks. GKN Sankey will launch it at the Olympia 75, Olympia, London, January 14-21. Also to be launched is the company's first hot canned food merchandiser.

Vendobar combines the company's Sodamart can or bottle vander with a new spirits dispenser.

The spirits dispenser has four standard magazines (normally dispensing whisky, gin, rum and

vodka at 60p each) and one wider magazine (normally vending brandy at 70p). Its flexible coin mechanism will accept 10p and 50p coins to a maximum vend price of £1-80p.

To conform to U.K. licensing laws, adult hotel guests will be provided with a special key which opens the machine's coin acceptor, allowing them to use the spirits dispenser at any time of the day or night.

The Sodamart section of the Vendobar offers up to seven selections of chilled soft drinks in 6.5-ounce bottles or in 12-ounce cans. The bottle capacity is 56 and the can capacity is 48 (plus 18 in pre-cool storage). GKN Sankey, Automatic Vending Division, P.O. Box 6, Riston, Staffs WV14 0JF.

DATA PROCESSING

Data Logic has two new groups

AS A result of some major assignments won over the past two years, Data Logic has expanded its organisation by setting up two specialist support groups, one for database and teleprocessing and the other for small business systems.

The company's conversion projects group recently announced an order expected to be worth more than £100,000 for Philips Industries. Like conversion projects, the DBT and SBS groups evolved from a line of completed projects, including one representing over 30 man-years work for a major bank.

Data Logic has helped fulfil four major database systems for U.K. customers, a personnel system using ICL DMS, an on-line order processing system on Univac using DMS and TIP software, a banking system using IBM IMS and TCA and a spares system using Honeywell IDS. Recently the company has been involved in assignments to compare the efficiency of a database teleprocessing approach with a distributed processing solution for two manufacturing and distribution companies.

DBT will be headed by Dr. Jerry Gross, who was manager of the ICL database and teleprocessing services for the 2000 Data Logic Ltd, 250 Ruppell Road, East Greenford, Middx. (01-578 9111).

continuous speech can be provided.

Price is \$2,500, expected to reduce with economies of scale, and consumer application areas will probably include talking calculators for the blind, speaking clocks, digitally activated voice pagers, and car warning systems.

The company believes that there are also many areas of processing and control in industry where a low cost voice generator could be used to avoid visual distraction; for example, microphone circuit manipulation, wiring of backplanes and distribution panels, and aircraft alerting and warning systems.

More from Speech Technology Corporation, 631, Wilshire Boulevard, Santa Monica, California, U.S.A.

Interest in banking package

TWENTY international banks are considering the use of CMG (City of London) banking system following the announcement in August of the plan to launch this service, which is to be extended to a complete on-line terminal service in addition to the previously announced overnight turn-around.

TTTAS enables current account, foreign exchange, eurodollar, and loan and deposit facilities to be added as required within the basic service.

Weekly open discussion groups and seminars for groups of London bankers are attracting banking specialists from various European countries. CMG City of London on 01-491 3881.

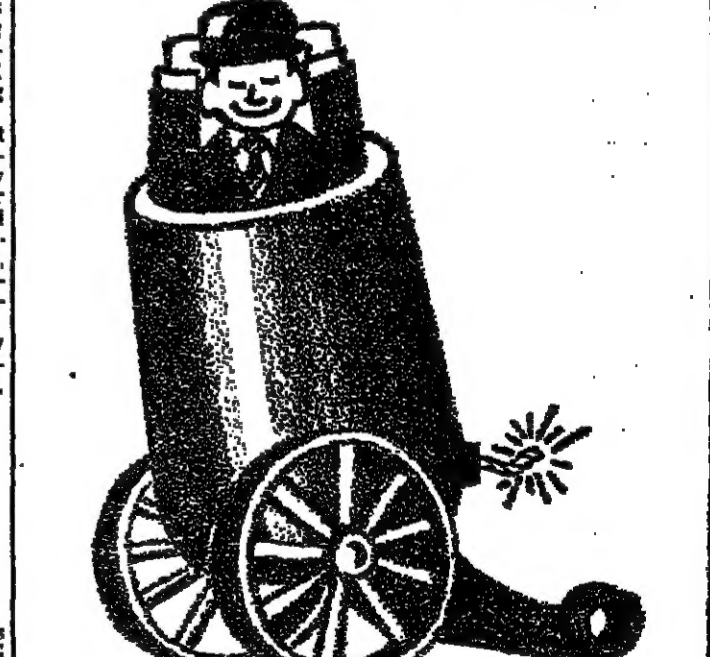
Synthesises speech from digit store

A CALIFORNIAN company has developed a speech synthesiser system which is driven by highly compressed digital codes stored in read-only memories (ROM).

The codes are prepared off-line by highly automated computer analysis of real speech. The stored vocabularies may include separate words as well as continuous phrases in either male or female voice. The resulting synthesised output is designed to preserve speaker intonation and regional accent so that speaker identification is possible.

A feature of the synthesiser design is that the codes are fed from memory to synthesiser in short bursts, so that many synthesisers can be operated independently from a single vocabulary memory.

Initial product from the company is an entirely self-contained solid state voice response unit with 48-word vocabulary plus logic circuits to select pre-stored messages via a simple parallel digital interface or from a serial data input accepting ASCII codes at various standard baud rates. Additional plug-in message storage up to two minutes of



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GPG



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PLANT & MACHINERY

Description	Price	Telephone
Swamp retractor chamber 27 dia x 32 x 10-16mm Hg.	P.O.A.	Mr. Welchman Chippinham 4141
And, ne R.F. Generator 8 KW 1974 Ten Band reel forming line by two for Dux. Virtually unused. Capacity 400 mm x 12 mm M.S. with complete with automatic cut-to-length equipment.	P.O.A.	Ext. 146 Mr. Welchman Chippinham 4141
Vacuum Forming Machine 3200 x 1000 mm, moulding depth 400 mm, plunger 400 mm, heating frames, 1974 Duplex Slitting Line to Process Sheet into a wide range of Accurate. She Blanks Fully Automatic In-Production.	£16,000	021-556 0504 Tel 336414
New, unused 330 KVA air cooled Diesel Generator with Stamford Alternator.	£9,000	004641421-0 Tel 32340
British Petrol Diesel Generating Set 1250 KVA Choice of 4 engines.	P.O.A.	021-556 0504 Tel 336414
Nu-Way HG-360 Heater	£2,000	Mr. Williams 620555
1970 Herdackerhoff 100 KW double vacuum annealing plant—useful capacity area 100 sq. ft. x 2000 mm loading in—output 6000 lb per 24 hours.	P.O.A.	Melton Mowbray 4541
Unused 0-2000 r/min variable speed motor line for handling 6" dia x 0.060" thick mild steel coils—coil ends cater on 48" roller-multi roll. Slitting unit—shear-back tension roll—winch rollers with pair of air-cylinders and twin capstan type unloading arms.	P.O.A.	01-253 6003
5 Ton O.H.T. Crane 37' span motorised 400/350 Cab control. Must self.	P.O.A.	021-556 0504 Tel 336414
Petate Peeling Line, continuous operation	over £500	Mr. Taylor Mr. Andrew

IF YOU HAVE PLANT AND MACHINERY SURPLUS TO YOUR REQUIREMENTS AND WOULD LIKE TO ADVERTISE IN THIS COLUMN, PLEASE TELEPHONE MR. FRANCIS PHILLIPS ON 01-348 8000 EXT. 456



Building and Civil Engineering

£9½m. project for shops and offices

A CONTRACT valued at £9.5m. has been awarded by the United Kingdom Temperance and General Provident Institution to Sir Robert McAlpine and Sons for the construction of a shops and offices complex on the site of the Waring and Gillow store in Oxford Street, London.

Two of the facades of the existing building are to be retained to form part of the new structure which will comprise three floors of shop units and six floors of office accommodation. The preservation of these facades will involve complicated excavation within the existing basement to permit the erection of temporary, steelwork supporting steelwork.

The building will be served by six passenger and four goods lifts and be fully air conditioned and centrally heated. Work now starting is scheduled for completion in 1978.

Architects are R. Selfert and Partners, quantity surveyors are Cyril Sweett and Partners and consulting engineers, Clarke Nicholls and Marcel.

Container terminal in Trinidad

Kier International, new subsidiary of J. L. Kier has been awarded a £5m. contract to construct a container terminal at Port of Spain, Trinidad.

The terminal, which will be situated at King's Wharf in the main docks area will be over 300 metres long.

Steel piling will be needed and the area is to be decked over in precast concrete slabs with an insulating topping consisting of a concrete base slab and stone base with tarmac surfacing.

Saudi Arabia irrigation project

Sir William Halcrow and Partners have been appointed by the Ministry of Agriculture and Water to report on, and prepare designs and tender documentation for a major irrigation and land development scheme on the Wadi Dhamad, which runs from the mountains bordering the Red Sea in the south-west of Saudi Arabia.

This project for the irrigation and agricultural development of up to 7,000 ha, follows an earlier £250,000 project, which is Halcrow investigation in the neighbouring Wadi Jizan for a similar project, which is now under construction.

Halcrow specialists in irrigated agriculture and in Arabic land tenure and water rights are included in the team, as are engineers and hydrologists; soil studies will be carried out by Bookers Agricultural and Technical Services in association with Halcrow, and Fairley Surveys has been appointed to carry out ortho-photographic mapping and ground control surveys.

The contract also covers hydraulic model studies of the necessary diversion weirs; these are to be undertaken in conjunction with the Department of Civil Engineering at the University of Southampton.

Work on site is now starting on a £250,000 project, which is due to be completed by the end of 1977.

The by-pass will be taken under Farnham Road and over Hazlewood Road, skirting Hogges Wood on an embankment, and include a total of eight bridges designed by Sir Frederick Snow and Partners, the largest of them, a 600 ft viaduct spanning the Stort Valley.

Construction of the first assisted-draught cooling tower to be built for the Central Electricity Generating Board is now well under way at Ince "B" 1,000 MW oil-fired power station in Cheshire.

The tower shell, when complete, will be 114 m. high and 63.5 m. wide at the base. It is now 65 m. high.

The single assisted-draught cooling tower will deal with the reject heat from the station's two 600 MW turbines, a task which would normally call for three natural draught towers.

The increased cooling capacity of the assisted-draught tower is achieved by increasing the flow of air through the tower by a battery of 36 electrically driven fans housed in a pre-cast concrete podium constructed around the base of the tower. The podium is 170 m. diameter and 13 m. high.

The fans draw air through the cooling water circulating from the turbines as it falls over a series of timber slats into a moist constructed below the podium. The moist replaces the circular pond used with a natural draught tower.

An assisted-draught tower costs slightly less to build than three natural draught towers, occupies a smaller area and reduces the number of large structures visible on the skyline, says the CEGB. Running costs are increased by the provision of 6 MW of power required to drive the fans.

The tower will cool 24m. gallons of water an hour through a 10 degrees C. temperature drop to 21 degrees C.

Work has started on a £752,555 contract, awarded to building contractors John Leitch for the Goethe Institute at Prince's Gate, London, S.W.7. The architect is Walter H. Marmorek.

The three mile by-pass is expected to take about two years to complete opening up a new route for the A120 almost entirely through open country, by-passing the present narrow and congested route through the town.

Work on the £2.3m. Bishop's Stortford north-west by-pass is due to begin within the next few weeks. The work will be carried out by Mears Construction. Eight construction firms had been invited to tender.

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Laing work on flats and store

WORK has started on a housing development in London which, when completed, will increase Westminster City Council's housing stock by 281 flats for more than 800 people.

John Laing Construction, North London Region, has been awarded the contract, valued at almost £3m., to build 47 blocks of flats at Wharfedale Gardens, St. Johns Wood, North London. The site, in Cunningham Place, fronts the Regent's Canal and is close to Lord's Cricket Ground. The new flats will replace several large Victorian blocks of tenements called Wharfedale Gardens, which have been demolished because they were substandard.

All the flats will have central heating supplied by a district heating system from a boiler house on the Lisson Green estate nearby.

Architects are the Gollins Melvin Ward Partnership. Alteration and adaptation work to Debenham's store, Manchester, by Laing under a contract valued at £840,000 will improve shopping facilities by the incorporation of a former Horne Brothers shop.

To avoid disrupting normal trading—which reaches its peak during the pre-Christmas shopping period and January sales—work is being carried out behind floor-to-ceiling boardings when near to sales areas.

Operations, which will take 2½ years to complete, will be between Maiton and Canon, about 4 km. north east of Lancaster on the south bank of the River Lune and form part of a link for the transfer of water southwards from the Lune to the River Wyre. The contract calls for the construction of a river intake structure and a buried screenhouse of reinforced concrete, about 750 metres of 3 metres diameter concrete-lined tunnels and an access shaft and terminating in a 17 metres diameter shaft to a depth of 48 metres below the pump house floor.

Also included will be a buried reinforced concrete pumping station about 84 metres by 30 metres in plan and some 17 metres deep constructed over the shaft to house low-lift pumps within the shaft and high-lift pumps on the main floor.

Other work includes installation of two settling tanks, a balancing tank and a transverse pipe gallery, all of reinforced concrete in an excavation 108 metres by 90 metres by 6.4 metres deep, ductile iron, steel and concrete pipelines, site service roads and an access road. The Consulting Engineers are Binnie and Partners.

A TEAM OF engineers and drilling crews from the Leeds headquarters of Holst Soil Engineering is operating in Tabriz in North-West Iran on a three-month £60,000 site investigation contract for Redler Grain Silos.

Holst is carrying out an extensive soil investigation on five sites between Tehran and Tabriz prior to the construction of five silo complexes from 25,000 to 100,000 tonnes. When completed the silos will provide a total of 250,000 tonnes of storage capacity.

A soil testing laboratory has been airlifted out by Holst so that a complete service is available in Tehran to the client.

This is the first Middle Eastern contract to be carried out by Holst Soil Engineering, but other inquiries are being followed up in the Middle East now that a self-contained soil investigation unit is established in Tehran.

The consulting engineers for this project are J. H. Maiste and Partners, Leeds.

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Will keep the water flowing

THE NORTH West Water Authority has awarded Fairsing a water pumping plant contract worth £5.8m.

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ELECTRICAL CONTRACTING

Guarantee scheme starts

DETAILS of a scheme to protect companies and private individuals employing an electrical contractor from financial loss when an electrical contractor is unable to complete a contract due to bankruptcy or liquidation are to be announced to-day.

The scheme, which comes into operation on January 1, has been devised by The Electrical Contractors' Association on behalf of its 2,200 members who are responsible for the greater part of the electrical contracting work in the U.K.

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Contracts of over £250,000 will not be covered by the offer generally but may be covered individually on request.

A major condition for member firm participation is that they pay their subscriptions regularly and their type of business falls within five bands which represent the value of contract covered by the guarantee. These bands are:

£20,000. £50,000. £100,000. £150,000 and £250,000. However, companies having the opportunity of a larger than normal contract can make special arrangements.

Member companies complying with the Association's conditions will receive a certificate at 3-monthly intervals indicating the limit of guarantee. This certificate can be photocopied and attached to a tender for the information and reassurance of the customer.

No members of the Association have been made bankrupt in the past year, but as the Association told the Financial Times "now is the time to take action before a crisis situation arises as did in the holidays business."

● The North West Water Authority have awarded a £326,000 contract to B. B. Kirk (Construction), for extensions to the Winsford sewage disposal works. Consulting engineers are Ward Ashcroft and Parkman.

● John Willmott (London) has been awarded a £198,000 contract by McKay Securities to modernise offices, shops and a restaurant, at 9-13 Curator Street, London E.C.A. and to provide an additional floor level to be a nominated sub-contractor nos. 13 and 13.

Two other contracts for £519,000 and £388,000 respectively are for various types of dwellings.

Work carried out in the U.K.

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MONDAY, DECEMBER 1, 1975

Risks and rewards

EVEN IF the workings of the market economy were perfectly understood in this country, which they are not, the exceptionally large rewards which are sometimes paid to senior executives in industry and the City would still arouse envy and criticism. To the extent that the rewards are seen to be related to the individual's performance, they are not difficult to justify and defend. The vitality of the market economy requires, among other things, a system of incentives in which the successful entrepreneurs and the really outstanding executives earn substantially more than those who perform less well. What is important, however, is that the incentives provided by a particular company should be not merely legal, but open to inspection by shareholders and others and seen to be fair.

Share options

This applies, for example, to share option schemes, whereby selected executives are given rights to subscribe for their company's shares under preferential terms. The theory behind these schemes is that the executives should have a continuing stake in the future success of the company and thus identify their own interests more closely with those of the ordinary shareholders. Yet share option schemes have been open to abuse: in a number of cases they have motivated the executives to think more in terms of short-term profitability than of the long-term health of the company.

According to the theory, executives should not only benefit when the company does well—because their own efforts have contributed to that success—but should suffer when the company does badly. There has been a tendency for companies to amend their schemes when their share price falls below the subscription price and the executives concerned may face the possibility of large losses. While it is understandable that companies should wish to protect their executives from financial disaster resulting from ill-advised commitments

Persuasion

Faced with a public opinion which is hostile or indifferent to the "profit motive," the business community has to persuade people that large financial rewards are necessary to bring out the best in management and that crippling rates of personal taxation are bad for the economy. The more examples there are of payment arrangements which appear to confer unfair privileges on selected executives and to have no connection with performance, the harder the task of persuasion will be.

Britain goes into the dock

AT THE Common Market summit meeting, which opens in Rome today, the British Government is likely to find itself at odds with its Community partners on at least three issues. The first is import controls, the second direct elections to the European Parliament, and the third British representation at the forthcoming consumer-producer dialogue—now officially known as the Conference on International Economic Co-operation (CIEC). The issues are of varying degrees of importance, but if Britain insists on its own individual line on all three, it will be open even more to the charge of seeking to block Community progress than is already the case.

Economy

The issue of import controls is politically the most straightforward. If the British Government believes, even unconvincingly, that controls are an essential part of its economic and political strategy, it is entitled to claim that their introduction is a vital national interest. Other members of the Community may reasonably demand that they should be kept to a minimum, but the Community itself offers no alternatives and the control of the British economy is still a British and not a Community matter. Mr. Wilson will be on somewhat weaker ground, however, when it comes to the discussion on direct elections. This is an issue which has gained in prominence as the Community has failed to make progress in other areas. To some members it has become the test of whether the Community can still move forwards. All members including Britain, have accepted the case in principle, but where Britain differs from the rest is in its reluctance to make concrete proposals. It is, of course, true that there are

Mishandled

The chance will probably have to be taken, if only to mitigate the ill-feeling towards Britain because of its attitude towards representation at the CIEC. The British Government is insisting on a seat of its own and shows no sign of backing down—even if the result is that the Community as such is not represented or that the conference has to be postponed. The affair has been mis-handled from the moment Mr. Callaghan bluntly made his demand. It is unlikely that the CIEC will be in a position, at least for many months, to negotiate such things as the price of oil, and the possibility of a Community approach has not been tried. The usefulness of the Community in international negotiations lies in speaking as a bloc and the task of individual members is to seek to make the Community position representative of their own. Mr. Callaghan, however, has both over-estimated the importance of the CIEC and underestimated the ability of his Community partners to find a compromise. Since he shows no inclination to climb down, the damage done here will have to be compensated by British readiness to work with the Community in other fields.

President Ford to-day starts his talks in Peking. Malcolm Rutherford discusses their significance for relations between the world's three great powers as détente runs into problems.

When physical and political debility meet

ON the face of it, President Gerald Ford's visit to Peking this week is a meeting between political and physical debility. Although the American elections are still a year away, they have already come to dominate American policy. Mr. Ford is a weak, untested, and uncertain even of his own party's nomination. One of the ablest men in his Administration, Dr. James Schlesinger at the Pentagon, and a favourite of the Chinese, has gone—sacked by Mr. Ford in a moment of political panic.

Some of the recent constants in American foreign policy are also in doubt. It is no longer certain that there will be a second strategic arms limitation treaty with the Russians. American step-by-step diplomacy in the Middle East seems to have reached an impasse with the Syrian opposition to the Sinai agreement: it is no longer clear what the next step will be. Relations with China have not developed in the way that might have been hoped when President Richard Nixon visited Peking nearly four years ago. Not least, there is the situation in Angola threatening to escalate into a great power war-by-proxy. In none of these areas can one be certain how America—post-Vietnam, post-Watergate and still digesting the scandals of the CIA—will react.

'Croaking and bellowing'

The physical debility lies in Peking, as Chancellor Helmut Schmidt of West Germany recently discovered at first hand. A German journalist who accompanied him wrote: "Today, Mao is a brittle figure, reduced to utter physical weakness... his voice is almost gone, diminished to mere croaking and bellowing. Three women read his lips, consult with another as to what he has said, then refer their interpretation back to him." In his conversation with Herr Schmidt, the Chairman complained: "They don't need my advice any more."

Herr Schmidt apparently elicited an emphatic "No" when he asked if the Chairman's departure could be followed by a rapprochement with the Soviet Union, and certainly the Sino-Soviet split at present seems as deep as ever. Yet the German Chancellor was not entirely convinced and, in a recent address, Dr. Schlesinger warned that the split, "the best thing that has happened to the West," should not be counted on to last into the 1980s.

It is striking, and probably fortunate, that the view from Moscow should be similarly

marred by human frailties. Mr. Leonid Brezhnev, the Soviet party leader, is sick to the point of failing to fulfil important engagements. His timetable is awry. The European Security Conference, meant to be one of his crowning achievements, has turned out to be at best a disputed draw, with all parties free to quarrel about its interpretation.

It should have been followed by a conference of all European communist parties and a Brezhnev visit to Washington to sign

other country has a comparable record of losses. There have been few compensating gains. Much of the Third World has become sceptical about Soviet intentions. As President Nyerere of Tanzania remarked the other day, a Soviet tractor is no cheaper than a western one. The intellectual Left has become contemptuous.

Mr. Brezhnev's policy has been to increase Soviet economic and military strength while seeking an accommodation with the U.S. That, and

the possibility of China's asking for arms from the U.S. is left unsaid. Yet it is sufficiently in the air to have been fully discussed in an obviously "inside" article by a specialist in Sino-Soviet-U.S. relations in the latest issue of the U.S. quarterly Foreign Policy.

The quarterly Foreign Policy, author, Mr. Michael Pillsbury, concludes that Chinese demands for U.S. defence technology and information could be met, provided they were for primarily defensive purposes.

Even this highly conditional degree of help would have been unthinkable only a short time ago. For Washington, the relationship with Moscow came first and that with Peking a long way behind. For the future, however, it may have a certain attraction. If the relationship with Moscow is not working, it would be reasonable for the Americans to seek to improve relations with Peking, not least in the hope of pre-empting a Sino-Soviet rapprochement. At any rate the margins for

the American response to it, have been the main thrust of East-West diplomacy over the past few years, otherwise known as détente. But if détente is off, if there is no SALT, which was after all détente's main symbol, then Soviet policy will require a fundamental re-assessment.

What all this amounts to is that the old order remains, but it is becoming increasingly fluid. It could be changed either by choice, or by weakness, or by one great power's misperceptions of another's intentions. Thus while all the forecasts for President Ford's visit to China are for results barely worth the trip, the prospects may look different from Moscow. Nor can one be absolutely certain that Mr. Ford and Mr. Teng Hsiao-ping, the Chinese deputy Prime Minister who will do much of the talking, will not raise the question of a possible closer Sino-American relationship.

The Chinese thesis is becoming well known. It is that the

manoeuvre are becoming satellite observation would be unable to detect whether they were conventional or strategic.

These thoughts must at least pass through the minds of participants in this week's talks, even if they remain hypothetical. They must certainly have occurred to the Russians, and indeed, it will be fascinating to see how Moscow responds to the Peking visit.

Dr. Henry Kissinger, the U.S. Secretary of State, has already spoken of a possible early meeting—which means shortly after Peking—with the Soviet

On the Middle East, the Russians have been less obstructive than they might have been. Yet a resumption of the Geneva Conference, which is beginning to look unavoidable, would give them an opportunity to line up with those Arab states which dislike the Sinai agreement and who are pressing for more progress on the Palestinian question. It would be a respectable diplomatic way of opposing American policy.

Warning on Angola

All this would have been test enough for U.S.-Soviet relations. It is, however, the emergence of Angola which could yet provide the greatest strain. Dr. Kissinger has already given a warning. "We cannot ignore," he said in Detroit last week, "the substantial Soviet build-up of weapons, which has introduced great power rivalry into Africa for the first time in 15 years... The U.S. cannot be indifferent while an outside power embarks on an interventionist policy—so distant from its homeland and so removed from traditional Russian interests... Time is running out: continuation of an interventionist policy must inevitably threaten other relationships."

What the U.S. is prepared to do about it on the ground in Angola is left unclear. The Russians may well calculate that an America still scarred by the effects of Vietnam and the CIA revelations would hesitate to go beyond its present policy of sending a few covert arms supplies. It is also an improbable alliance of South Africans and French that the Russians are fighting. Yet the warning is clear: the Soviet intervention is against the spirit, if not the letter, of détente. The Russians may win the Angolan war, but the relationship with the U.S. will not be the same again. It is in that sense that the world situation, as we have come to accept it in the past few years, may be changing.



Left: Mr. Teng Hsiao-ping, the Chinese deputy Prime Minister, who will do much of the talking at the discussions. Right: Chairman Mao Tse-tung, to-day, according to West Germany's Chancellor Helmut Schmidt, "a brittle figure, reduced to utter physical weakness."



MEN AND MATTERS

Will Embassy switch?

The indications yesterday were that Imperial Tobacco will carry on with its existing build-out for racing car sponsorship following the week-end tragedy of Graham Hill's death. Imperial spends about £1m. a year on sports sponsorship (out of an estimated total for all forms of sport of £5.5m.) through its two cigarette subsidiaries, John Player and W. D. and H. O. Wills.

They are responsible for the Lotus formula one team, and the Embassy side of Wills supports Graham Hill Racing. Doubts about sponsoring have been rife this year, the season starting on an unsettling note with Carreras Rothman pulling out of motor racing, the most expensive of all sports, at a reputed annual saving of £100,000.

Hill went into the management end of the sport he had excelled in as a driver in 1972 with formula two cars, moving up to Grand Prix standard the next year after signing a three-year sponsorship contract with Imperial. At the beginning of this year, his team developed its own car, the Hill. Success was some time coming through, which apparently made Imperial weigh hard the value of a further contract. Eventually, the new deal was concluded, to run for two years. The reckoning is that Graham Hill Racing benefited to the tune of around £250,000 a year.

The spur, no doubt, was the evidence in the second half of the 1975 season that the Hill "group" was beginning to do well. Tony Brise, the 23-year-old driver for the Hill team who was among those killed in Saturday night's plane crash, was considered to be on his way to an outstanding Grand Prix

Richardson moves up from Abbey Life

Fred Richardson, managing director of the Abbey Life property bond group, sympathies with Kenneth Cork's problems but has not been interested, with a few minor exceptions, in his adopted portfolio of properties. Cork is probably among Britain's biggest landlords as a result of taking charge of asset disposals for several concerns in difficulties. The two have managed one small deal: Abbey Life is moving its administrative operations out of London to Bournemouth, and a few chunks of property around the new headquarters have been acquired from Stern interests, via Cork.

The first class end of the market, admittedly being "defined" very narrowly, is doing well, in contrast, and

that gives Richardson optimism. Prices of Abbey Life units have improved 30 per cent. this year, though still 15 per cent. under the best levels, and Richardson declared: "The property bond idea was questioned on liquidity grounds... none of the terrible things happened."

Having ensured that Abbey Life survived the shock of money management departure and the extreme external pressures of a crippled market (the total value of its holdings fell from £240m. to £140m., recovering since to £170m.), Richardson is now moving up to supervise the financial operations of the IIT multinational in Europe.

IIT bought out its 50 per cent. partner in Abbey Life, Georgia International Corporation, in October 1970. Just over a week later, South African-born Mark Weinberg, Abbey Life's founder and managing director, left with five other senior executives. The effect on customers was nil, but morale among Abbey's staff took a hiding. Jim Anderson, a Canadian and, ironically enough, a Georgia International man, was caretaker managing director for a year before handing over to Richardson.

Richardson is also Canadian, his previous job having been the revival of a Canadian company called Maritime Life, eventually sold to the American John Hancock group. Abbey he saw as a "fantastic opportunity. There was huge potential and huge problems." Richardson is particularly proud of the way training was reorganised in a way that enabled Abbey, biggest of the property bond operations, to stand the "test of fire" that the falling market provided. Apart from Abbey, IIT's financial interests in Britain are represented by the Excess Group, an insurance company with troubles of its own when bought out, and the London and

Edinburgh company; then there are life and casualty companies in Holland and Germany.

Soviet sparkle

Earlier this year, French champagne producers reckoned they had scored a notable victory when the High Court decided in their favour and against H. P. Bulmer and Showers over the use of the word champagne. The world-wide struggle to protect the name goes on, but there is now a new source of competition.

Wine producers in the Ukraine, of all places, are making a sparkling white wine they choose to call champagne. Worse, this Soviet wine is being exported to countries including Britain. Oh well, it should keep the 140 champagne houses in the Comité Interprofessionnel du Vin de Champagne in a ferment.

Pardon?

I have mentioned before a certain wariness in picking up other people's misprints, seeing that mine is a bit of a glass-house trade. Nevertheless, in view of some critical views about Government machinations in the stock market, I liked last week's reference in the Guardian to the fact that "Long dated gilt-edged stocks are attracting investment support again."

That can be passed on with a clear conscience, because in one edition of this paper on Friday, a front page article on devolution discussed financing and noted "The only method of supplementing revenue would be by levying a tax on rats..."

Observer



"I'd planned to have enough. But, these days I have to have some help."

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To begin with, the DGAA will understand. Although they have 10 Residential and Nursing Homes, they know that people want to stay in their own homes for as long as they can cope, keeping their friends and the roots they have put down over the years.

So, the DGAA helps with allowances. They send clothes parcels. They remember Birthdays and Christmases. They help with a little extra when a crisis upsets a tiny budget. Please help the DGAA with a donation. And please, do remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

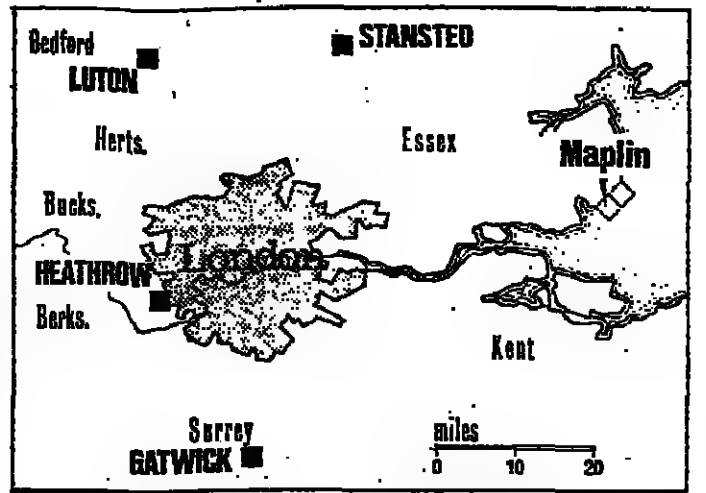
Vicarage Gate, House, Vicarage Gate, Kensington, London W8 4AQ

"Help them grow old with dignity"

مركز الإمداد

The Government has just published the first of two major consultation documents on airports, policy. Michael Donne explains the need for decisions soon about the 1980s and 1990s.

Traffic jams at London's airports



SOME TIME over the next few months, the debate on what to do about London's airports for the future is likely to get underway again—the surprise of many who had thought that, with the scrapping of the Maplin plan and the decision to expand Gatwick, the whole situation had been settled, at least for the next few years.

The fact is, of course, that nothing has been settled. The Maplin plan to put a major airport for London on the Essex coast represented one way of solving a number of problems—meeting expected air traffic expansion, stimulating the industrial and economic regeneration of parts of South-East Essex, taking some of the strain off Heathrow, and perhaps also eventually closing Luton. By abandoning Maplin, the aviation problems have reassessed themselves. Although, as a result of the air traffic expansion, passenger traffic is likely to grow at a slower rate than originally forecast, the pressures will still be there in the years ahead. And expensive and difficult solutions will be needed.

Aim now

The Government's aim now is to try to secure them in a more coherent way than in the past. Now, the emphasis is on trying to develop an overall long-term airport strategy that will carry the U.K. through into the next century, with ad hoc decisions being eliminated in favour of a strictly controlled series of developments, worked out in advance, that will include expansion of facilities at some airports and the diversion of more traffic to the regions.

cost and time-scale involved in all new airport developments that major policy decisions will have to be taken by 1978-79 if the necessary physical developments stemming from them are to be available by, say, 1985-90. An example is the possibility of putting a new passenger terminal at Heathrow, to raise the capacity of that airport to 53m. passengers a year.

This would take 12 years (because of the need to move the sludge works on the existing site) and would cost £150m. in all. Even if it were not to be ready till 1989-90 a decision to do it would have to be taken by 1978. This in turn presupposes that by 1978 a new airports' strategy would have been hammered out and approved so as to enable such a decision to be taken at all—and that, in turn, means starting to work out the overall policy now for submission to Parliament around the end of 1978.

It is this need to settle such questions long in advance that many people cannot understand, and this is why the Government has just published the first of its two major "consultation documents" on airports' policy, covering London and the South-East (the second to be published early next year will cover the regional airports' situation). Together, these documents will form the basis for the major debate the Government hopes will produce some kind of consensus on what ought to be done.

The planners are starting with a revised forecast of traffic for the future which suggests that the number of passengers using London's four airports (Heathrow, Gatwick, Stansted and Luton), 27.6m. in 1974, will grow to anything between 38m. and 53m. by 1992,

depending on the state of the world economy and the air transport industry, and to 67m.-107m. by 1990.

From that rather wide base, they move on to suggest that present developments at Heathrow (designed to lift that airport's capacity to 30m. passengers a year) and at Gatwick (raising its capacity to 16m.), together with a modest expansion at Luton and Stansted, will bring total capacity at London's airports to about 50m. passengers a year by the early 1980s—well able to meet the forecast demand. A fourth terminal at Heathrow, already envisaged but not yet started, could bring capacity there to 38m. a year. This, together with further modest growth at Stansted bringing its capacity to 16m. (and costing £10m. to achieve), and with Luton staying at 3m., would result in a total London capacity of 61m. by about 1984, also well able to meet likely demand.

Options

Thereafter, however, the problems begin. And they could be substantial. For it is at that point that a wide range of options to enable London's airports to cope with the possible traffic growth through the rest of the 1980s becomes available.

Those options are all expensive and time-consuming. There is, for example, the possibility of the Perry Oaks terminal itself raising Heathrow's capacity to 53m. passengers a year. Others include further expansion of Gatwick to 25m. passengers a year (taking seven years and costing £100m.); expanding Stansted to take 16m. a year (costing £150m. over seven years); and developing Luton to take up to

10m. (costing some £40m. and taking several years also). The table, taken from the consultation document, shows how these various options might be played. It can be seen that it contains the seeds of some major clashes on development policy—for example, under D and E, does the Government develop Gatwick to 25m., and leave Stansted alone, or leave Gatwick at 16m. and develop Stansted up to that level? In either course lie the seeds of public dissension. Remorselessly, thereafter, the problems keep growing, along with the traffic.

What, in effect, the Government is saying is that there is no way in which these problems can be left for solution

until the 1980s. By then, the traffic is likely to be there, and some basic policy decisions at least ought to be hammered out well in advance so that a coherent pattern of development can be followed when the time comes.

Few aviation planners really doubt that the traffic will be there. Already, there are signs of an improvement in world passenger movements, and, despite the falls recorded over the past year, passenger movements at London's airports in October showed a rise of nearly 10 per cent on the same month a year ago. If that trend continues, as it well may, the upper forecasts for the 1980s may well be reached.

The point that is made strongly is that the U.K. is at the mercy of international trends in air transport, which it cannot govern. By far the greatest proportion of all air passenger movements at U.K. airports are of international passengers, and if the U.K. wishes to continue in the mainstream of international trade it must provide the facilities for them. To fail to do so, or to actively discourage the growth of international air travel to and from the U.K., would be disastrous for the country, relegating it to the status of an economic backwater.

AIRPORTS' POLICY: THE OPTIONS

	A	B	C	D	E	F	G	H	I
Heathrow	30	38	38	38	38	38	38	53	53
Gatwick	16	16	16	25	16	25	25	25	25
Stansted	1	1	1	1	16	16	16	16	16
Luton	3	3	3	3	3	3	3	3	3
Total	50	58	61	78	73	84	89	99	104

Year in which capacity fully utilised:
High forecast 1981 1983 1984 1986 1986 1987 1988 1989 1990
Low forecast 1984 1988 1989 after 1990

- A: Represents capacity of the airports when current developments at Heathrow and Gatwick are completed.
- B: Provides for the addition of a fourth, south-side terminal at Heathrow.
- C: Includes expansion of present facilities at Stansted.
- D: Includes second terminal at Gatwick.
- E: Covers Gatwick with single terminal, but with Stansted at a comparable size to Gatwick as the result of maximum development within the existing airport boundaries.
- F: Provides for a second terminal at Gatwick, expansion of Stansted and an increase in traffic at Luton to the extent which the airport authority considers should be possible using the present facilities.
- G: Includes a second terminal at Luton.
- H: Includes provision of a fifth terminal at Heathrow on the Perry Oaks site.
- I: Represents combination of all the above options.

Diversion

Of course, some constraints can be built into the system. The Government is already arguing that, even if the high forecast for the 1980s is reached, there should be no need for more runways—the principal requirement will be for more terminal buildings and apron space. Thus, the whole question of any second runway at Gatwick, or of even building a new airport on a "green field" site, is not likely to arise, although the Government is careful to point out that, if public pressures result in the rejection of any one or more of the options outlined, and if traffic continues to grow, the question of a new airport would have to be reopened.

The consultation document does not really hold out much hope for significant diversion to regional airports. While there is undoubtedly scope for expansion in services and traffic to places like Manchester, Birmingham, Glasgow and Edinburgh and Newcastle, and this will inevitably come, it seems more likely that the bulk of the traffic over the next quarter cen-

tury will still want to travel to London and the South-East. one in seven of those now exposed to 35 NNI will still be within that contour by 1990, the most sensitive issue in while one in six will be left world air transport. The consul- ation document suggests that, because of the growing use of the 55 NNI contour against over 70,000 at present.

For Stansted, it is suggested be a progressive reduction in the volume of noise nuisance at Heathrow, Stansted and Luton up to 1980. At Gatwick, there will probably be a worsening initially as traffic grows (largely because of the preponderance there of the older, noisier narrow-bodied jets), but even at Gatwick the situation should improve in the 1980s.

Debate

Whether these arguments will be proved remains to be seen, but there is little doubt that the major part of the debate over the development options for London's airports for the next 15 years or so will revolve around these noise statistics. The debates may be painful, even rough at times, for many of the anti-noise lobbies are now more co-ordinated, more articulate and better briefed than they were even at the time of the Maplin debate two years ago. But it is better to get the debate over now, and the policy settled, rather than wait until traffic pressures force ad hoc, almost panic, measures that will displease everybody without meeting the needs of the air transport industry.

Corporatism explained

From Mr Maurice Macmillan, MP.
Sir—Dr. Cuff (November 28) asked politicians to explain "what corporatism is and where it can lead. Some of us are trying to do so. In speeches made between June and September 1974 I set out what I believe Tory policy should be in this field. I had no doubt then, and have none now, that any government must consult with representatives of trades unions and employers organisations, on the management of the economy. But I also pointed out that the more formal such consultations become the more necessary it would be to ensure that these powerful interests should operate within the rule of law and under the authority of Parliament. Monopoly power, whether of capital or of any organised labour, must be controlled so that it is exercised with responsibility and with full accountability through Parliament to the people. I added that a Tory government should take measures to see that this was unmistakably so.

The measures passed into law by the present Government, determined apparently to establish a fascist rather than a socialist state, combine to prevent these interests from being held accountable to Parliament—provided their actions accord with the wishes of the Government and the rules laid down by the bureaucracy in administrative decisions. Thus the Government itself makes even "survival" increasingly difficult for the entrepreneur who tries to combine freedom with enterprise in a profitable undertaking. Those who succeed are denounced as "anti-social," those who do not are cited evidence of "the failure of capitalism."

In these circumstances the attractions of corporatism are obvious—"accept our protection and do not worry about cash or competition." But the economic future of the country depends more on those who are not likely even to receive this seductive offer and the danger is that the enterprise of these entrepreneurs will be destroyed and with it our freedom. These points have been made by many politicians in articles and speeches, quoting, as I have recently done, the monopoly power of the trades unions, the power of the great concentrations of anonymous capital, the weight of the civil service bureaucracy, and other forces which in their different way threaten the supremacy of Parliament and the future of Parliamentary democracy. May I now suggest that this threat can only be met if everyone sees it as a threat to themselves, to their freedom, to their future and to their children. No-one can afford to leave it to others. Surely we are all responsible and must all be willing to take action each in our own particular sphere: to attend the relevant meetings, to use our voice, to insist in our dealings with local authorities or the Government, with the industry and the trades unions, that we and not the bureaucrats are the masters. Politics has perhaps become too important to be left to the politicians. Maurice Macmillan, House of Commons, S.W.1.

One way to run out of money

From The Chief Internal Auditor, Pilkington Brothers.
Sir—The Government has now accepted in principle the concept of current costs accounting operating profit, which must be defended as the best measure yet devised to express in current money the wealth created (or reduced if a loss is made) by the organisation concerned. Detailed criticism can admittedly be made of a report which took less than two years to produce but above all it was a unanimous report. The use of economic value is criticised but if para. 88 of the Sandilands Report is read there are many qualifications. Basically a company will either stay in business on a long term basis or get out. If the decision is to stay in business because of long term considerations then fixed assets must be replaced at some time in the future and the charge for depreciation at replacement cost is valid even if losses are shown. If a decision is made to get out then there should, as good management practice, be an assumption made regarding the date at which the business will be sold or will be closed down. In both these cases the economic value or the realisable value of the fixed assets are relevant, dependent on whether profits or losses are being made. There are difficulties in calculating the economic value but with firm parameters it is possible to make a realistic estimate. Professor Stamp contends (November 25) that the definition of profit in para. 77 of the report is woolly but it is not fair to take it out of context because in particular the paragraph dealing with concepts of profit lead logically to para. 186: "However, an accounting system can at least ensure that the profit figure reported is such that, if the profit for the year were fully distributed, it would not prejudice the ability of the company to continue to generate the same profit in future years if revenues earned and costs incurred in future years were the same as in the year of account." This is surely quite clear.

It is an accepted principle in this country that one should not be judged in one's own cause. It is not for accountants as such to be judged on the purpose of accounts, although their views must naturally be listened to. It is the responsibility of directors to sign accounts and accept responsibility for them. Surely the Sandilands committee is in principle deciding the purpose of accounts. Once this is settled it is the accountants' job to provide the technical expertise to design the system to meet that purpose. A far more important point that has not so far been made is the effect of the Sandilands recommendation (para. 685) that deferred tax on the write up of fixed assets during a period of rising prices should be released to the profit and loss account in proportion to the amount of the increased value of the asset which has been written off. If this is done and the stated distributable profit is in fact distributed then unrealised profits are being distributed and the funds will not be available when the time comes to replace worn out assets at current replacement cost. This recommendation is admittedly qualified to the extent that it should be adopted in the interim period before a fundamental review of the bases of taxation of profits has taken place. It can be shown, however, that in times of rising prices companies do bear tax on the money they will need for replacement of their assets at a constant level of output. A consequent effect, however, of the recommendation is to mask the amount of tax-distribution chargeable on a company subject to the normal timing differences. Distribution of taxation between the various sectors of the economy is a policy decision and must await any review of taxation, on which the Chancellor of the Exchequer's views are now awaited. It is of paramount importance that this chargeable taxation should be shown so that unrealised profits are not distributed and there is a factual basis for the Government in Mr. St. John's words "to consider whether guidance is necessary, and in what form, on the amount available for distribution under the proposed accounting system." This has been covered in Prof. A. J. Platt, Perrin's letter on November 27. Prescott Road, St. Helens.

Subsidised to compete

From Mr. T. Atherton.
Sir—The report of November 25 drew attention to National Giro's "accumulated deficit" of £23.4m., of which £18.7m. is to be written off at taxpayers' expense. This is now shown to be part of the subsidy paid to the National Giro to offset the development costs and inadequate charges of this body. Is it fair competition for a State enterprise to be protected against losses while competing with free enterprise? I fervently hope that now National Giro is embarking on the more complicated aspects of banking that it has adequate expertise on which to draw. As a High Street banker, I am used to competing for business but, as a taxpayer, I do not relish the prospect of being asked to contribute further to my competitors' losses! T. C. Atherton, 7, Wood Ride, Potts Wood, Orpington, Kent.

Inside the unions

From Mr. H. Welton.
Sir—Assuming that Mr. Ernie Roberts of the Amalgamated Union of Engineering Workers (November 27) is of average intelligence he must have had his tongue firmly in his cheek when commenting on John Elliott's article. Electoral procedures should ensure that everyone who is entitled to vote can do so. Ballots should be secret. There should be adequate safeguards against "rigging." Electors should have a choice of candidates, and as much information as possible should be available about the candidates and their policies. On the first of these, the old AUEW method of voting at branches was not just inadequate, it was impossible. If all the million-plus members of the union decided to attend branch meetings either to vote or to take, as Mr. Roberts put it, "an active part in union affairs," the whole system would collapse in chaos under weight of numbers. The myth that the branch provides a means through which union members can democratic

ally express their views or preferences for candidates has survived only because the vast majority of union members have not used it. On the question of information about candidates, Mr. Roberts objects to details being published in the Press. This would be more convincing if he had raised similar objections in the past about numerous extremist journals which have consistently published lists of Left-wing candidates in union elections, and urged members to vote for them, while at the same time launching vicious attacks on the moderate opponents. Apparently, interference in elections by the Press "is only to be condemned when it does not help candidates approved by Mr. Roberts."

Dealing with Mr. Reg Prentice, he goes from bad to worse. In the context of this case, what can one make of Mr. Roberts' statement that democracy means accountability to the electorate and acceptance of defeat when you cease to reflect their wishes? But, of course, Mr. Prentice has not been defeated by the "electorate" in his constituency. If he is defeated, it will be as a result of manoeuvres by a small group of people who have not so far had their opinions judged by the electorate.

The whole context of Mr. Roberts' letter suggests that he genuinely believes that decisions by small groups of people, both in the unions and political field, conform to the principles of democracy. What they will actually lead to is government of the people by activists elected by activists and acting on behalf of activists.

Harry Welton, 85, Tarnwood Park, Court Road, Eitham, S.E.9.

National Giro

From Mr. A. Reynolds.
Sir—Mr. Singer may have said (Men and Matters November 25) that he has "no aim to make Giro a nationalised bank," but that is not the impression gained from a scrutiny of the White Paper and Bill. What is disturbing to those like myself who have been satisfied users of National Giro's existing services since 1968 is the removal by Clause 1 of the Bill of the specific power given to the Post Office to run a giro system, and the absence from the White Paper of any proposal to sell the basic simplicity and speed of the Giro transfer system to a wider audience. Indeed the mention in the White Paper of a card to guarantee only payments to those who bank elsewhere, may positively discourage the use of the Giro transfer facility to pay those people who are also account-holders at Giro. A. E. Reynolds, 40, Leaburn Gardens, Croydon.

Just not couth

From Mr. A. Bythway.
Sir—Your news item of November 25 of Oxford shopkeeper fined 25 for displaying sew-on jeans patches with four letter words in his window seems revealing. The other place must have become even more uncouth than it always has been. Our recently closed-down "Love Inn" was far more refined. A. S. Bythway, 71, Highsett, Hills Road, Cambridge.

To-day's Events

- GENERAL: EEC summit meeting opens; President Ford begins visit to China; Mr. Edward Short, Lord President of Council, on official visit to Egypt; Mr. Anthony Crosland, Environment Secretary, ends official visit to Japan; Medical consultants start "emergencies-only" working; Mrs. Margaret Thatcher, Opposition leader, visits East Midlands; Sir Lindsay Kirk, Lord Mayor of London, attends City University graduation day ceremony, Guildhall, E.C.2; Financial Times two-day conference—Tomorrow's Economy—opens, Copenhagen; Mr. Havelock Hudson, chairman of Lloyd's, addresses Insurance Institute of London on "The Changing Face of Lloyd's"; Public service and Armed Forces pensions increase by 26.1 per cent; Price of bread increases by 1p; Public houses, trains and boats must display price lists covering all main drinks on sale.
- EXHIBITIONS: Mr. Fred Peart, Minister of Agriculture, opens Royal Smithfield Show, Earls Court; Baroness Hornby-Smith opens exhibition of stamps collected by women philatelists, Stanley Gibbons Gallery, 398, Strand; MUSIC: Holmshirts Choral Union perform Handel's Messiah, Royal Festival Hall, S.E.1, 7.30 p.m.; Kumiko Udagawa gives piano recital of works by Schubert, Schumann, Debussy, and Fauré, Wigmore Hall, W.1, 7.30 p.m.; Michael Blackmore gives piano recital at St. Lawrence Jewry Next Guildhall, E.C.2, 1 p.m.
- PARLIAMENTARY BUSINESS: House of Commons: Agriculture (Miscellaneous Provisions) Bill, second reading; Debate on White Fish and Herring Subsidies (United Kingdom) (No. 3) Scheme; COMPANY RESULTS: Samuel Osborn (full year); Carless, Capel and Leonard (half-year); COMPANY MEETINGS: See Week's Financial Diary on page 18.

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INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

Following the market last year of U.K. stock exchange, a selection of the share prices previously shown under regional headings is presented below with quotations on London, Irish issues, most of which are not officially listed in London, are included for comparison and with prices as on the Irish exchange.					
Albany Inc. 20s	27	Grang Road 10s	139	Shilleagh 10s	25
Asa Spinning 20s	27	Grang Road 20s	139	Shilleagh 20s	25
Barton 20s	27	Grang Road 30s	139	Shilleagh 30s	25
Barton 30s	27	Grang Road 40s	139	Shilleagh 40s	25
Barton 50s	27	Grang Road 50s	139	Shilleagh 50s	25
Cloves Court 20s	27	Grang Road 60s	139	Shilleagh 60s	25
Croft & Rose 10s	31.5	Grang Road 70s	139	Shilleagh 70s	25
Croft & Rose 20s	31.5	Grang Road 80s	139	Shilleagh 80s	25
Croft & Rose 30s	31.5	Grang Road 90s	139	Shilleagh 90s	25
Croft & Rose 40s	31.5	Grang Road 100s	139	Shilleagh 100s	25
Croft & Rose 50s	31.5	Grang Road 110s	139	Shilleagh 110s	25
Croft & Rose 60s	31.5	Grang Road 120s	139	Shilleagh 120s	25
Croft & Rose 70s	31.5	Grang Road 130s	139	Shilleagh 130s	25
Croft & Rose 80s	31.5	Grang Road 140s	139	Shilleagh 140s	25
Croft & Rose 90s	31.5	Grang Road 150s	139	Shilleagh 150s	25
Croft & Rose 100s	31.5	Grang Road 160s	139	Shilleagh 160s	25
Croft & Rose 110s	31.5	Grang Road 170s	139	Shilleagh 170s	25
Croft & Rose 120s	31.5	Grang Road 180s	139	Shilleagh 180s	25
Croft & Rose 130s	31.5	Grang Road 190s	139	Shilleagh 190s	25
Croft & Rose 140s	31.5	Grang Road 200s	139	Shilleagh 200s	25
Croft & Rose 150s	31.5	Grang Road 210s	139	Shilleagh 210s	25
Croft & Rose 160s	31.5	Grang Road 220s	139	Shilleagh 220s	25
Croft & Rose 170s	31.5	Grang Road 230s	139	Shilleagh 230s	25
Croft & Rose 180s	31.5	Grang Road 240s	139	Shilleagh 240s	25
Croft & Rose 190s	31.5	Grang Road 250s	139	Shilleagh 250s	25
Croft & Rose 200s	31.5	Grang Road 260s	139	Shilleagh 260s	25
Croft & Rose 210s	31.5	Grang Road 270s	139	Shilleagh 270s	25
Croft & Rose 220s	31.5	Grang Road 280s	139	Shilleagh 280s	25
Croft & Rose 230s	31.5	Grang Road 290s	139	Shilleagh 290s	25
Croft & Rose 240s	31.5	Grang Road 300s	139	Shilleagh 300s	25
Croft & Rose 250s	31.5	Grang Road 310s	139	Shilleagh 310s	25
Croft & Rose 260s	31.5	Grang Road 320s	139	Shilleagh 320s	25
Croft & Rose 270s	31.5	Grang Road 330s	139	Shilleagh 330s	25
Croft & Rose 280s	31.5	Grang Road 340s	139	Shilleagh 340s	25
Croft & Rose 290s	31.5	Grang Road 350s	139	Shilleagh 350s	25
Croft & Rose 300s	31.5	Grang Road 360s	139	Shilleagh 360s	25
Croft & Rose 310s	31.5	Grang Road 370s	139	Shilleagh 370s	25
Croft & Rose 320s	31.5	Grang Road 380s	139	Shilleagh 380s	25
Croft & Rose 330s	31.5	Grang Road 390s	139	Shilleagh 390s	25
Croft & Rose 340s	31.5	Grang Road 400s	139	Shilleagh 400s	25
Croft & Rose 350s	31.5	Grang Road 410s	139	Shilleagh 410s	25
Croft & Rose 360s	31.5	Grang Road 420s	139	Shilleagh 420s	25
Croft & Rose 370s	31.5	Grang Road 430s	139	Shilleagh 430s	25
Croft & Rose 380s	31.5	Grang Road 440s	139	Shilleagh 440s	25
Croft & Rose 390s	31.5	Grang Road 450s	139	Shilleagh 4	

FINANCIAL TIMES STOCK INDICES

	Nov. 26	Nov. 27	Nov. 28	Nov. 29	Nov. 30	A year ago
Government Secs.	58.37	58.93	59.28	59.29	58.87	56.51
Faced Interest	58.90	58.90	59.00	59.50	59.50	57.61
Industrial Ordinary	58.75	58.65	58.75	57.81	57.48	58.76
Gold Mtns.	58.27	57.97	57.81	57.60	57.55	58.45
Ord. Ind. Yield %	5.90	5.95	5.74	5.67	5.55	6.38
Earnings Yld (Industrial)	18.44	16.41	15.99	15.30	15.21	15.87
P/E Ratio (Ind. in 40)	8.53	8.23	9.10	9.31	9.20	9.38
Dealings marked	7,404	6,848	6,556	7,327	7,450	7,780
Equity turnover %		63.30	63.90	61.98	62.47	59.19
Equity bargains total		17,490	19,031	14,505	15,123	10,591

HIGHS AND LOWS | S.E. ACTIVITY

	1975		since Completion			New, 88	New, 87
	High	Low	High	Low			
Govt. Secs.	58.36 (1903)	49.16 (141)	127.4 (49188)	\$9.18 (1175)	Daily- Bid-Edget- Index Ind.	180.0 260.0	187.1 257.0
Fixed Int.	62.81 (2145)	50.55 (41)	150.4 (1176)	50.53 (1176)	Speculative Treas	57.5 168.6	65.0 149.0
Inst. Ord.	577.8 (19115)	106.0 (19115)	848.6 (19107)	49.6 (36949)	Day- Guar- Edget- Industrial	164.6 281.9	167.1 260.8
Gold Mines	442.3 (2145)	232.7 (41)	442.3 (2145)	43 (3007)	Speculative Treas	152.4 162.4	152.4 162.4

FT—ACTUARIES INDICES

	Nov. 27	Nov. 27	Nov. 28	Nov. 28	Nov. 21	Nov. 21	A year ago
Industrial Group	143.70	144.94	147.81	148.46	149.67	149.82	64.12
500 Shares	158.46	159.62	162.48	163.32	164.86	165.17	69.04
Div. Yield pct	5.83	5.78	5.68	5.66	5.59	5.58	12.08
P/E Ratio (net)	5.16	9.82	9.39	9.44	8.54	8.54	4.03
All shares	152.38	153.75	156.41	157.06	158.67	158.99	66.86
C whole yield pct	14.32	14.80	14.79	14.79	14.78	14.76	16.60

BASE LENDING RATES

AFI International	11	%	C. Hoare & Co.	11	%
Allied Irish Banks Ltd.	11	%	C Julian S. Hodge	12	%
Anglo-Portuguese Bank	11	%	Industrial Bank of Scot.	11	%
Henry Aschacher	11	%	Keyser Ulmann	11	%
Banco de Bilbao	11	%	Knowsley & Co. Ltd.	12	%
Banco de Jerez	11	%	Lloyds Bank	11	%
Bank of Cyprus	11	%	London & European	11	%
Bank of N.S.W.	11	%	London Mercantile	11	%
Banque du Rhone S.A.	11	%	Midland Bank	11	%
Borelays Bank	11	%	■ Samuel Montagu	11	%
Barnett, Christie Ltd.	12	%	■ Morgan Grenfell	11	%
Bremar Holdings	12	%	National Westminster	11	%
Brit. Bank of Mid. East	11	%	Norwich County Trust	11	%
■ Brown Shipley	11	%	Norwich General Trust	11	%
Cayzer, Bowater Co. Ltd.	11	%	Portman Guaranty	11	%
Cedar Holdings	11	%	P. S. Reelson & Co.	11	%
■ Charterhouse Japhet	11	%	Rosenblum, Accepte's	11	%
C. E. Coates	11	%	Schlesinger Limited	11	%
■ Commercial Credit	11	%	E. S. Schwab	12	%
Co-operative Bank	11	%	Security Trust Co. Ltd.	12	%
Copleys Bank	12	%	Shenley Trust	12	%
Corinthian Securities	11	%	Standard Chartered	11	%
Credit Lyonnais	11	%	Sterling Credit	12	%
G. R. Dawes	12	%	Thames Guaranty	11	%
Duboff Brothers	12	%	Trade Development	11	%
Duncan Lawrie	11	%	Twentieth Century Bk	12	%
English Transcont.	12	%	United Bank of Kuwait	11	%
First London Secs.	11	%	Whiteaway Laidlaw	11	%
■ Antony Lubbo	11	%	Williams & Glyn's	11	%
■ Commercial Trust	11	%	Yorkshire Bank	11	%
Greyhound Guaranty	11	%	■ Members of the Accepting Houses Committee.		
Grindlays Bank	11	%	1-day deposits 7½, 1-month deposit		
■ Guinness Mahon	11	%	1-day deposits 7½, 1-month deposit		
■ Hambros Bank	11	%	† 7-day deposits on sums of £10,000 and over 7½, up to £25,000 7½, and over 8½		
Hawtin & Partners	13	%	■ Demand deposit 5½.		
■ Hill Samuel	11	%			

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OFFSHORE AND OVERSEAS FUNDS

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NOTES

Some revival in confidence

Deliveries
Balance of Ups over Downs

Year	Percentage
1970	50
1971	65
1972	45
1973	95
1974	35
1975	-25

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Are you more or less optimistic about your company's prospects than you were four months ago?	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construct. & Bldg. %	Food & Tobacco %	Textiles & Clothing %
More optimistic	31	28	26	24	62	33	49
Neutral	42	35	35	35	30	67	37
Less optimistic	27	37	39	41	8	—	14

4 monthly moving total November 1975

	Aug.- Nov.	July- Oct.	June- Sept.	May- Aug.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing
Over the next 12 months exports will be:	%	%	%	%	%	%	%
Higher	62	68	72	76	42	70	31
Same	13	12	12	10	31	11	10
Lower	18	14	13	11	27	—	59
Don't know	7	6	3	3	—	19	—

	Aug.	July	June	May	Constn.	Food & Textiles
--	------	------	------	-----	---------	-----------------

The trend of new orders in the last four months is:	Nov. %	Oct. %	Sept. %	Aug. %	& Bldg. %	Tobacco %	Clothing %
Up	22	26	29	30	63	1	30
Same	12	16	15	19	18	16	—
Down	57	54	53	42	19	49	70
No answer	9	4	3	9	—	34	—

	Aug.- Nov.	July- Oct.	June- Sept.	May- Aug.	Constn. & Bldg.	Food & Textiles & Tobacco	Other
Those expecting production/sales turn-							

over in the next 12 months to:	%	%	%	%	%	%
Rise over 20%	1	1	1	4	—	—
Rise 15-19%	1	1	7	8	—	—
Rise 10-14%	1	2	2	2	—	7
Rise 5-9%	12	15	12	16	25	—
About the same	57	56	60	56	61	71
Fall 5-9%	4	10	7	7	—	8
Fall over 10%	4	5	2	1	—	14
No comment	20	10	9	6	14	49

	Aug. Nov.	July- Oct.	June- Sept.	May- Aug.	Constn.	Food & Textiles & 8 Bldg.	Tobacco	Clothing
Raw materials and components over the								

next 12 months will:	%	%	%	%	%	%	%
Increase	25	17	19	17	22	33	30
Stay about the same	53	56	53	49	60	51	22
Decrease	17	24	25	31	18	—	48
No comment	5	3	3	3	—	16	—

Manufactured goods over the next 12 months will:

Increase	23	17	18	15	10	33	3
Stay about the same	43	46	35	34	43	51	8
Decrease	19	25	30	34	46	—	52
No comment	15	12	17	17	7	16	37

4 monthly moving total				November 1975	
Aug.	July	June	May	Construct.	Food & Textiles &

	Nov. %	Oct. %	Sept. %	Aug. %	& Bldg. %	Tobacco %	Clothing %
Home orders	87	83	80	72	97	84	100
Export orders	52	52	50	46	37	49	78
Executive staff	1	1	2	5	—	—	—
Skilled factory staff	5	10	9	12	7	—	—
Manual Labour	—	4	6	6	—	—	—
Components	12	9	10	5	—	16	—
Raw materials	6	1	3	9	30	16	—
Production capacity (plant)	1	—	1	2	—	2	—
Finance	1	1	1	3	1	—	—
Others	3	4	1	1	1	—	7
Labour disputes	18	20	24	23	—	33	1
No answer/no factor	1	6	6	9	3	—	—

4 monthly moving total November 1975

Those expecting their labor force over the next 12 months to:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Constn. & Bldg. %	Food & Tobacco %	Textiles & Clothing %
Increase	8	5	4	4	19	18	6
Stay about the same	60	58	60	50	54	48	38
Decrease	32	37	36	46	25	34	56

4 monthly moving total November 1975

Those expecting capital expenditure over the next 12 months to:	Aug.-Oct. %	July-Nov. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Clothing %	Textiles & Furnishings %
Increase (in value)	35	31	20	—	11	31	3
Increase (in value) but not (in volume)	5	8	8	28	6	—	—
Stay about the same	21	25	32	27	17	33	—
Decrease	39	35	38	43	66	36	97
No comment	—	1	2	2	—	—	—

Aug.- Nov.	July- Oct.	June- Sept.	May- Aug.	Constn. Food & Textiles & Bldg. Tobacco Clothing
---------------	---------------	----------------	--------------	---

Wages rise by:	%	%	%	%	%	%	%
0-4%	—	—	—	—	—	—	1
5-9%	6	7	7	5	1	—	—
10-14%	52	49	39	30	52	49	30
15-19%	28	27	23	24	40	33	69
20-24%	4	6	—	—	—	18	—
25-29%	—	—	20	36	—	—	—
30% +	—	—	—	—	—	—	—
Same	—	—	—	—	—	—	—
Decrease	—	—	—	—	—	—	—
No answer	10	11	11	5	7	—	—

5-9%	12	11	11	9	18	16	4
10-14%	20	17	16	13	27	22	10

15-19%	30	22	25	22	49	33	82
20-24%	6	10	14	23	—	17	7
25-29%	6	9	6	4	1	—	—
30% +	—	—	2	2	—	—	—
Same	1	1	1	1	—	—	—
Decrease	—	—	7	7	—	—	—
No answer	17	20	16	9	7	18	—

	Aug.- Nov.	July- Oct.	June- Sept.	May- Aug.	Constn. Food & Textiles & & Bldg. Tobacco Clothing
Those expecting profit margins over the					

Next 12 months to:	%	%	%	%	%	%	%
Improve	20	24	24	15	29	17	10
Remain the same	31	34	37	44	37	33	38
Contract	42	37	38	36	34	34	52
No comment	7	5	1	5	—	16	—

No bottoming out yet

Year	Balance (%)
1970	0
1971	20
1972	-20
1973	50
1974	20
1975	10

De-stocking may soon end

FURTHER evidence that the recession is still deepening comes from the latest answers about factors governing production rates. Although some slightly localised supply constraints are to be found, the flow of home and export orders remains far and away the dominating factor, more so indeed than before.

On the other hand, it is possible that the de-stocking cycle could be coming to an end. Two of last month's three sectors were more inclined than in July to expect an increase in

Year	Average citing supply factors (%)	less average citing orders (%)
1970	-45	-40
1971	-20	-15
1972	-55	-50
1973	+20	+10
1974	-10	-5
1975	-70	-65

Aug- Nov	July- Oct	June- Sept	May- Aug	Constrcn. & Bldg.	Food & Tobacco	Textiles & Clothing
-------------	--------------	---------------	-------------	-------------------	----------------	---------------------

	%	%	%	%	%	%	%
Above target capacity	7	8	8	16	—	—	—
Planned output	39	50	45	36	40	49	14
Below target capacity	50	38	47	48	53	51	84

Signs of greater stability

THE OUTLOOK for employment is once again a little less depressing. The "downs" still outweigh the "ups" but not quite so overwhelmingly as before principally because the building and construction and food and tobacco sectors both take a somewhat less pessimistic view than when they were last surveyed in July.

But most companies in all three sectors are still implementing measures designed to lighten up on manpower requirements and improve productivity, besides relying on natural wastage the measures

The graph plots two data series over a six-year period. The 'Normal Weight' series is represented by a line with circular markers, showing fluctuations between approximately -10% and +40%. The 'Weighted by Employment' series is represented by a line with square markers, which follows a similar path until 1973, after which it drops sharply to -50% by 1975.

Year	Normal Weight (%)	Weighted by Employment (%)
1970	0	0
1971	-10	-10
1972	0	0
1973	40	40
1974	0	-20
1975	-10	-50

Hopes of 15% inflation

THE IMPOSITION of the £6 10s limit on pay increases had a decisive impact upon industry's inflation expectations but the process of adjusting wage forecasts in the light of the new policy is now more or less completed.

3-14 per cent range—reflecting to a large part a belief that £8 week ceiling will be adopted as a minimum as well as a maximum increase.

The median forecast increases for total unit costs and for output prices show a similar

Year	Actual Unit Costs (%)	Median Increase Expected (%)
1967	5	5
1968	10	6
1969	8	7
1970	5	8
1971	6	9
1972	7	10
1973	12	11
1974	18	12
1975	15	10

Both appear to be "bottoming out," for the present at least, in the 14-15 per cent. range.

However this has not raised industry's hopes of a recovery in profitability. The outlook is better than a year ago but the balance of forecasts for the next 2 months is still downward. Indeed, in the recent months pessimism seems to have become even more widespread.

These surveys, which are carried out for the Financial Times by the Taylor Nelson Group, are based upon extensive interviews with top executives about their companies' situation and prospects.

Three industries and some 30 companies are covered in turn every month from a sample

On the other hand a few companies are expecting to increase their labour force or are holding on to essential staff in the hope of an early upturn. The outlook for capital spending, by comparison, is somewhat more encouraging. The balance between "ups" and "downs" is now very roughly equal, even on a volume basis. Liquidity difficulties also seem to have eased, with the possible exception of the smaller companies. However, there is now some tendency towards expecting to make greater use of bank borrowings over the next 12 months.

based upon the FT-Actuaries Index, which accounts for about 60 per cent of the total turnover of all public industrial companies. The weighting is by market capitalisation, save where an alternative weighting is specifically mentioned.

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THE LEX COLUMN

UN seeks 11th hour approval of new Golan mandate

BY OUR FOREIGN STAFF

THE UN Security Council was called into session again last night in another last-minute attempt to gain approval for an extension of the UN peacekeeping force's mandate on the Golan Heights between Syria and Israel. The mandate was due to expire at 5 a.m. today.

The problem facing the Council appeared to centre on the Syrian insistence that the Palestine Liberation Organisation attend the Security Council talks on the Middle East proposed for January — a move strongly resisted by Israel.

UN diplomats said privately, however, that it was almost certain that the mandate would be extended, and that a separate statement by the present Council president, Soviet Ambassador Yakov Malik, might be worded vaguely enough to satisfy both sides.

Israel and Syria have agreed in principle already that the mandate of the 1,200-man force

should be extended for six months, but Israel has said it will not accept an extension if any strings are attached.

Last night's UN session coincided with the return to Damascus from Moscow of the PLO's chairman, Mr. Yasser Arafat, who immediately reviewed the outcome of his Russian visit with Syrian President Hafez Assad.

Soviet formula

Official sources made no comment on reports from Moscow that the PLO was ready to make concessions to the Israelis specifically to drop its demands for the dismantling of the Israeli State and to adopt a Soviet formula guaranteeing rights to peaceful existence of all Middle East nations, including Israel and a Palestinian State.

The PLO would thus be ready to take part in Geneva talks without prior conditions if

Israel would do the same. But there was no official confirmation in Moscow of such a change in attitude and diplomats there considered it unlikely.

In Israel, the reports were greeted with profound scepticism.

Premier Yitzhak Rabin, reacting to the report, reiterated that there could be no negotiations in any form with the PLO since the organisation opposed the very existence of Israel.

Meanwhile, Israel has completed the schedule of the second phase of the interim Sinai agreement by relinquishing the control it has held over the Abu Rudeis oil fields for more than eight years.

The United Nations will officially return the oilfields to Egyptian sovereignty. In a low-key ceremony at the oilfields, representatives of Agip of Italy, acting on behalf of the Egyptian National Oil Company, took possession of the 85 wells

from which Israel has drawn 30m. tons of oil—55 per cent of local consumption—since 1967.

Israeli oil industry sources said that the fields were capable of commercial yields for the next 12 years, contrary to reports that accelerated Israeli pumping had significantly advanced the depletion date.

Supplies assured

Dr. Zevi Dinstein, the Israeli Government's chief adviser on energy policy, told the Cabinet in Jerusalem that Israel's supplies were assured for the next year under terms of the Sinai settlement and that a detailed programme had been developed to diversify future sources.

Nevertheless, domestic wells, including two further south in the Sinai, will provide less than 5 per cent of immediate needs. Israel is expected to continue to rely overwhelmingly on Iran for at least the next few years.

Hospitals threatened as senior men act

By Loretta Oslager

CHAOS threatens numerous hospitals in England and Wales today as consultants start industrial action on top of the junior doctors' work to rule.

Officials of the British Medical Association, which is organising the doctors' action, said last night it was impossible to predict how many of the 11,000 consultants would actually refuse to treat any but emergency patients from today.

If action is at all widespread, many hospitals are expected to close within days so that emergency patients will have to be sent to hospitals over a wide area for treatment. Casualty departments may work on a rota basis.

Private patients

At the same time, the 200,000-strong National Union of Public Employees is asking its members to withhold services from the private patients of consultants who start industrial action today in protest at the Government's plans for phasing out pay beds from National Health Service hospitals.

Such "retaliation" is to affect both in- and out-patients on a consultant's private list.

Consultants in Scotland have decided against industrial action, and the 5,000-strong Hospital Consultants' and Specialists' Association has also refused to endorse it.

In addition, Royal Colleges have expressed their disapproval. Sir Rodney Smith, the president of the Royal College of Surgeons, is to see Mr. Harold Wilson, the Prime Minister, on Wednesday to discuss the dispute.

Common ground

He said during the week-end that he believed there was still some common ground between the Government and the doctors, but he also supported the BMA's view that the phasing out of pay beds should be referred to the proposed Royal Commission on the NHS—a demand the Government has rejected.

The four-day-old refusal by junior doctors to work more than a 40-hour day has led to further hospital closures.

In Brighton, three hospitals will be closed from today. In London and the South East about 18 hospitals, including the Royal Free, St. Mary's and Westminster, teaching hospitals, cancelled emergency admissions.

New York, Wall St. and London

Even after the Federal Reserve move for New York City, Wall Street is still not giving any lead to the equity market in London. The reaction of the U.S. financial markets on Friday certainly bore out the views of those who had considered that an orderly bail-out operation was bound to be devised for New York, and had been fully discounted by early last week.

First reactions are not, of course, always the ones that count, and many Wall Streeters were taking the chance of a long post-Thanksgiving weekend on Friday. Even so, the general opinion appears to be that in the near future the Dow Jones will find it very hard to break out of the sideways pattern which has confined it between 870 and just under 900 since the spring.

All the same, longer term bullishness remains firmly entrenched on Wall Street. The view is that the U.S. economy just has to be made to perform strongly during 1976 which is not only a Presidential election year but also takes in the bicentennial celebrations. The stock market ought to ride up naturally on the economic recovery.

Confidence

However, it has to be asked why, if there is so much confidence about the business upswing next year, Wall Street has been content to trade sideways for so long. The answer may lie within the long drawn out debate on the pace of the cyclical recovery and the associated arguments about the implications of the Federal Reserve's monetary policy, which produced the summer surge in interest rates. In New York watching the weekly M1 figures has become something of an obsession.

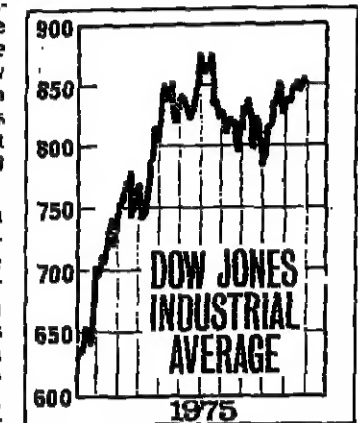
The recent sluggishness of money supply growth may herald a slowdown in the recovery, following the more than 11 per cent growth in real GDP during the third quarter on an annualised basis. The official composite index of leading economic indicators fell in October for the second month running. And it is argued that the financial system is not strong enough to support vigorous expansion; the New York banks are saddled with serious problems from City debt, and even elsewhere the burden of REITs and tanker loans is

heavy. A large U.S. bank, Marine Midland, sharply cut its dividend a couple of weeks ago.

But even if the pace of economic growth proves to be fairly slow—and it should be said that Keynesian-type economists are a good deal more optimistic about the rate of expansion—the implications for this side of the Atlantic could be favourable. The point is that the U.S. Government believes that stated money crea-

tion targets will be adequate to ensure sustained recovery, while still allowing some decline in interest rates.

Given that exceptionally strong political factors will in any case make it difficult for the U.S. authorities to take a tough line in 1976, the chances are against an early return to high U.S. interest rates of the kind that this year have put extra pressure on sterling, caused the Bank of England to play around with U.K. domestic rates, and helped to produce a hefty reverse yield gap obstacle for U.K. equities. With any luck, for most of next year we shall only have to contend with our own problems.



DOW JONES INDUSTRIAL AVERAGE 1975

Rights issues have, however, been overshadowed in the month, at any rate, by second-placings — two publicly announced ones totalling £200m. The placing in the U.K. of a sizeable part of the former Burmah holding in BP, however, would clearly go a long way towards satisfying the institutions' current equity appetite. A contrasting feature at this stage of a bull market is the virtual absence of new debentures and most issuing houses have, if any, in the pipeline.

Rights issues

The rights issue stream has slowed to a trickle since mid-summer, the November total of £38.5m, being by far the smallest monthly figure (apart from August) so far—and to judge by the continuing freedom of choice in booking dates in the queue there is not going to be a rush before Christmas. This seems to be partly because of the Stock Exchange's disclosure requirements for up-to-date profits, trading prospects and

Jenkins in line for inquiry job

By John Elliott, Labour Editor

MR. CLIVE JENKINS, general secretary of the Association of Scientific, Technical and Managerial Staffs, is in line to become one of the trade union members of the Government's committee of inquiry into industrial demerit.

His name is one of the latest and most surprising to emerge for the inquiry, which Mr. Peter Shore, Trade Secretary, announced four months ago.

Since then the Government has had great difficulty finding members for the committee, although it has held on to its most recent choice of chairman, Sir Alan Bullock of Oxford University.

The Government is being criticised by MPs for the delay in getting the inquiry under way, and Ministers hope to make a statement soon.

Sir Alan is understood to have carefully vetted and chosen possible members for the committee, and this has apparently led to a recent hitch on whether the TUC is too strongly or too weakly represented.

On holiday

This stems from the terms of reference, laid down for the inquiry four months ago, which appear to commit it to back the TUC's official policy or half the supervisory Board in a two-way company structure to be unbalanced worker-directors.

TUC nominees already known to be lined up for the inquiry are firmly committed to the TUC's policy line, despite many individual union leaders having considerable reservations. The nominees include Mr. Jack Jones of the Transport Workers, and Mr. David Lea of the TUC's head office.

Mr. Jenkins, however, has made no major policy statements on the issue, so far as colleagues can remember. He is abroad on holiday at present.

His union is in the middle of a wide-ranging debate on industrial democracy, involving the divisions in the trade union movement generally.

Some leading ASTMS members favour TUC-style worker-directors, while extending of traditional collective bargaining into new areas.

The choice of Mr. Jenkins, who normally has no great love or respect for the TUC establishment, may strengthen the arm of civil servants, industrialists and others, including some TUC leaders, who do not want early introduction of worker-directors

Hanging campaign grows as Commons vote nears

BY PHILIP RAWSTORNE

THE CAMPAIGN for the reintroduction of the death penalty for terrorists was intensified yesterday by the prospect of an early Commons vote on the issue.

Mr. Ivan Lawrence, Conservative MP for Burton, is to test opinion among MPs on December 11, by forcing a vote on a motion demanding capital punishment for terrorist offences resulting in death.

Mr. Lawrence said yesterday that he thought it was still "a little unlikely" that a majority of MPs would support the motion, though many Conservatives, in particular, who voted against the death penalty a year ago had changed their minds.

Any further terrorist murders or bombings in the next few days might swing Parliamentary opinion in support of the death penalty, he said.

I think that when everything is weighed in the scales, the balance comes down on the side

of capital punishment. It is what the British people want—after all, there are at war with the terrorists.

In the Commons vote on the issue last December, the death penalty was rejected by 369 votes to 217—a majority of 152.

About a third of the 55 Conservatives who voted against the motion are said to be ready now to change sides and, though few of the Labour opponents of hanging are expected to do so, the death penalty campaign could gather more support from the 49 MPs who abstained in the decision last year.

Mrs. Margaret Thatcher's call for the reintroduction of hanging for terrorist murders was reinforced at the week-end by Mr. Airey Neave, the Tory spokesman on Northern Ireland.

He warned at Wallingford of a winter of IRA terrorism. "Many of these gunmen are towards who might be deterred by the death penalty. If its

restoration saved some innocent lives it would be thoroughly justified.

"These murders are deliberately and carefully planned to terrify the people of this country... We should not wait until many more people have been shot on their doorsteps before demanding action by Mr. Roy Jenkins."

Mr. Jenkins, in resisting the demands, will have the support of some influential Conservatives, including Mr. Edward Heath and Mr. Ian Gilmour, the Tory Shadow Home Secretary. Mr. Gilmour said yesterday that it remained his firm view that the death penalty would "stimulate terrorism, not deter it."

Even if the hanging campaign fails, it will bring increased pressure on the Government for a drastic review of its security policy and tougher measures to combat the terrorist threat.

Justinian, Page 2

Union leaders press for action to deal with unemployment

BY LORETTA OSLAGER, LABOUR STAFF

STRONG WARNINGS that the trade unions expect action about unemployment in return for their voluntary pay restraint were addressed to the Government by a number of union leaders this week-end, including Mr. Jack Jones, general secretary of the Transport and General Workers' Union.

Mr. Jones warned Government and employers against "dithering delay or hesitation" in taking action against unemployment and strengthening the industrial base.

At the same time, the major white-collar union, the public sector decided to renew instructions to its members to resist job cuts by refusing to do the work of colleagues made redundant through cuts in public expenditure.

Mr. Geoffrey Drain, general secretary of NALGO, joined Mr. Jones and Mr. David Basnett, general secretary of the General and Municipal Workers' Union, in reminding the Government leaders, who do not want early introduction of worker-directors

of NALGO's executive this week-end.

In addition to sending out instructions to members to resist redundancies, NALGO decided to launch a major public campaign against cuts in public spending. This will include an approach to the TUC General Council to seek a commitment from trade unions as a whole to oppose such cuts.

The unions have co-operated in the way of pay. Mr. Drain said, "but we fear the Government is going back on its side of the bargain, which is to maintain public expenditure."

Mr. Basnett said the TUC was "delivering its part of the bargain with the Government, which had 'delivered' on social policy and industrial legislation."

But the crucial test of the social contract in the eyes of trade unionists now is the performance of the Government on economic and industrial policy. Action on unemployment was needed now, but even more important was the development of an effective industrial strategy.

Continued from Page 1

Summit meeting

Prime Minister, may inform his colleagues how he is getting on with his report on European union. The full report, however, is not now expected to be ready until the New Year.

Other subjects are likely to include the overall economic situation, the Community's development policies, plans for the EEC passport union and the political situation in Spain and Portugal. President Giscard d'Estaing of France is expected to report to the summit in Madrid with the new Spanish King, Juan Carlos.

Robert Maunthorpe, in Paris, adds: Anglo-French relations could be seriously affected if the conference between oil producers and consumers, due to be held in Paris on December 15, is postponed indefinitely as the direct result of Britain's insistence on a separate seat.

The French have become increasingly irritated at what they consider to be Britain's unreasonable attitude. While not under-estimating Britain's special position as a prospective major producer of oil, the French Government feels strongly that the European Community must try to adopt a common position in international conferences if it is ever to move towards a common foreign policy.

If the Common Market community,

tries do not stick together, as they did effectively in the international dealings of the "Kennedy Round" trade negotiations, their influence on the international stage will soon be minimal. The French argue, even worse, if the British demand is granted—and the French have no intention whatever of this happening—it would inevitably lead to a further internal fragmentation of the European Community.

There is already talk in Paris of going ahead with the conference without Britain if all attempts to find a compromise at the European summit in Rome fail. Although such veiled threats may turn out to be empty in practice, there can be no mistaking the bitterness which they reflect.

Apart from any other considerations, President Giscard d'Estaing has staked his personal prestige on the North-South conference, of which he has been the main architect. If it failed to materialise, it would be seen in France as a severe setback, not only for French diplomacy, but for the President himself.

The U.K. is also likely to propose that EEC Ministers of the Interior should meet in the near future to discuss joint measures to combat terrorism in the Community.

Lisbon Army chief grabs the limelight

BY PAUL ELLMAN

LISBON, Nov. 30.

PORTUGAL to-day found itself with yet another military strongman as the purge of Left-wingers associated with last week's abortive uprising intensified.

The new Army chief of staff, General Antonio Ramalho Eanes, boasted in the few newspapers allowed to reappear that it had been "relatively easy" to crush the rebellion because units loyal to President Francisco de Costa Gomes were "commanded by officers with military ethics, who are not mortgaged to political groups and who are not pawned to sects."

General Ramalho Eanes has been adopting a very high profile throughout the week-end, appearing constantly at the side of President Costa Gomes as the Head of State went about the task of congratulating units, including the commandos, who refused to join the revolt. At least 160 officers and NCOs now known to be in the Cusaldas prison near Oporto.

Ramalho Eanes, who replaced Gen. Carlos Fabião in the initial stages of the clean-out of the military leadership, was himself purged after the March 11 coup attempt this year. At the time the head of the state television network, he was denounced by the Left for having failed to declare early enough for the Left throughout the week-end.

Through the week-end, great play has been made of the general's political opinions, which cutting through the rhetoric, boil down to the view that the army should return to its barracks and for an end to political activity among the rank-and-file soldiers.

Meanwhile, the military purge picked up speed over the week-end and with among its latest victims Admiral Antonio Rosa Coutinho, who was expelled, along with the navy chief of staff, Admiral Armando Figueiras Soares, from the Revolutionary Council. Admiral Rosa Coutinho was to-night reported to be in custody after having been detained at a roadblock in the Alentejo region.

Other once prominent military figures now in detention include General Eurico Corvocho,

formerly commander of the northern military region, and a former deputy premier in the Fifth Provisional Government.

The purge has also extended to the personal aides of the Prime Minister, Admiral Jose Pinheiro de Azevedo, with 38 dismissed over the week-end.

On the political front, the Socialist leader, Dr. Mario Soares, has come out with a set of conditions for the Communist party's continuing participation in government. Those included the repudiation of the coup attempt last week and an end to the party's political campaign to bring down the Sixth Provisional Government, which is expected to be reshuffled during the coming week.

The Communists, taking advantage of the partial lifting of the ban on newspapers in the Lisbon military region, meanwhile publicly dissociated itself from last week's uprising and called for a political settlement to the crisis.

Continued from Page 1

Shop trade

increases and partly because of fear of bombs. For example, says that trade in its Oxford Stores was far better than at its Bond Street branch last week-end.

Other national groups remark on the marked difference in the volume of sales between areas. Trade in Bournemouth, with its high proportion of retired residents, has been much slower than in Leeds, for example.

Last week, Staniland Hall Associates, the business forecasters, said that the indications were that consumer spending was reaching bottom, but that the volume of sales might be 7 per cent, down this Christmas on last year.

Last week, most retailers were cautious about pinning too much faith on the prediction. Next year, they said, price cutting would get even more intense and margins would fall again.

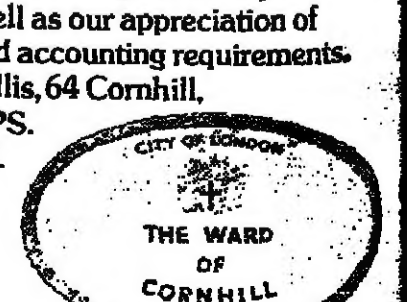
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